Our Industrial Achievements in 1943 (p. 13-21)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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The Nation's Business

The CCF Naturally Fights Insurance

Mr. Coldwell announces that the C C F has been "looking into life insurance," that he believes life insurance rates "are out of proportion to the services rendered, the companies' accumulated profits are immense and lapses in insurance mean a tremendous loss to the savings of the public." The C C F "research director" has announced that the party will shortly make some "startling revelations" about life insurance. This is going to be very interesting.

It is like watching a man race along a diving board, take a magnificent leap into the air and plunge down toward a pool—in which there is no water.

Mr. Coldwell is acting more and more like a deluded Don Quixote; a sucker for any anti-business yarn anybody tells him.

Of all business in Canada none perhaps has a better, clearer record of efficient public service than life insurance. None is so strictly controlled, so constantly policed by government, obliged to reveal more about its innermost workings.

The "sensational exposures" promised by the C C F will likely be these: That one cost of insurance is selling it and that most people do not buy the cheapest form of life insurance.

Only a few years ago, a bird in the United States made a great deal of money out of a book which urged people to buy only the cheapest form of life insurance. He made money. People who swallowed his advice found that they got very poor advice, some that the future security of themselves and their family was gravely imperilled, and some are now unable for health reasons to get life insurance of any kind.

The C C F "exposers" will presumably say that life insurance would be cheaper if there were no salesmen; if the customer went to an office and bought his policy like a peck of potatoes.

Most certainly. The point is, of course, people just don't buy much life insurance that way as has been abundantly proved whenever it has been tried. Per capita insurance coverage in Britain is much lower than in Canada and the U. S. Over the counter sales of a "no selling" insurance experiment in Wisconsin showed again that life insurance has to be vigorously merchandised. Our own Ottawa Civil Service offers insurance on which there are no selling costs. But relatively few have taken advantage of this "bargain."

Here is the real crux of the C C F attack on life insurance. Obviously the C C F dislikes a nation of life insurance owners. Because people who buy life insurance believe in sacrifice today for benefits tomorrow; in standing on their own feet. They are people who are not deluded by the something for nothing gospel. They have the energy, courage and personal pride to look after their own responsibilities.

WRECKING INSURANCE WOULD AID CAMPAIGN

Naturally, people with such beliefs are anathema to the C C F. Its hopes lie with the people who don't want to meet their personal responsibilities; people who aren't willing to sacrifice today for benefits tomorrow.

Wrecking life insurance in Canada, destroying the provision Canadians have made for their old age or for their dependents, and throwing everybody of this and later generations on the mercy of C C F politicians is an eager C C F wish.

Mr. Coldwell's declaration and his plan to call for a public inquiry should serve very well to attract to the attention and impress upon the minds of some four million Canadian life insurance policy holders the fact that Mr. Coldwell's party has made nationalization of all life insurance companies one very definite plank of its platform.

What, the policyholder may well ask, happens then to all the premiums he has been paying year after year in anticipation of benefits for dependents on his death, for his retirement.

Today, the holder of a life insurance policy in any company in Canada knows that, just as surely as the sun will rise in tomorrow's sky, so surely will the insurance company live up to its contract and pay him or his beneficiaries every last cent.

And what would be the situation in a Canada run by the C C F in which it has nationalized life insurance?

Whether all the life insurance premiums you have paid in would be worth five cents to you and your family would be, under the C C F, not a question of whether tomorrow's sun will rise, but simply a question of what is decided for you and your heirs by people like Coldwell, Jolliffe, Lewis, Scott, strike expert Millard, "Revolution by Force" Winch and other C C F politicians.

• • •

A GOOD IDEA GONE WRONG

Feeble and ineffectual as regulation of stock-selling in Ontario has become, an article on this page of this issue entitled "Share Pushers Exploit Prospecting Syndicate," shows how a substantial part of stock racketeering is going on entirely outside the control and authority of the Ontario Securities Commission.

The $10,000 syndicate is an excellent example of what seemed to be a good idea gone wrong. The outrageous misuse to which it is being put should serve as a warning not only to investors but to eager and well-meaning reformers.

Some years ago prospecting was at a low ebb. Canada's mines were—and they still are—wearing out faster than new mineral properties were uncovered. This naturally was— as it remains—a matter of utmost concern to mining people and to all Canadians.

What was the matter? Securities regulations were seized upon as the cause. This sentiment, assiduously fanned by a publicist apparently with a personal feud with securities commissions in general and certainly with a one track mind, was sold to a sizeable group. They came to the conclusion that a great big step in the direction of encouraging prospecting would be the $10,000 syndicate, which would be entirely outside security regulation.

The scheme sounded fine. As it would have been used by 90% of the people who sponsored it, the $10,000 syndicate would have been unobjectionable, perhaps stimulating to prospecting.

But the bloodsuckers soon found out about the enormous charms of the $10,000 syndicate. Here was a dream world in which there were no policemen, no auditors, no requirements.

As our article reveals, the $10,000 syndicate list is now decorated with the names of a goodly number of the most crooked of crooks on the fringes of the financial business and that, while so many people have money to spend and victory bonds to be talked out of, some of these parasites are doing a roaring trade.

A very simple change in legislation can clear up this mess promptly.

The interests of the legitimate prospector and his backers need not and should not be interfered with.

To All Its Readers

The Staff of The Financial Post Wishes Sincere Christmas Greetings and Peace in the Coming Year

Conflicting Paper Rules Hit Trade

Canada's Unexpectedly Higher 1944 Newsprint Shipments Weaken U. S. Case

By JOHN E. LANGDON

MONTREAL.—Several unexpected announcements regarding newsprint this week may have wide repercussions during the coming year, trade circles here feel.

Foremost was the surprise announcement of the Wartime Prices and Trade Board that the Canadian industry would be able to make available 200,000 tons of newsprint paper a month to the United States market during the first half of 1944.

This represents a drop of only 10,000 tons from that delivered during 1943. This is 18,000 tons better than officials of the War Production Board had led American publishers to believe was all they could expect from Canadian sources next year.

Cutback of 23.6%

Second surprise was the announcement of the WPB, following that of the WPTB, that effective Jan. 1, 1944, newsprint paper usage would be cutback 23.6% from the 1941 base level. Previously the Newsprint Advisory Committee of the U. S. publishing industry had recommended a cut of 23% on the basis of prospective supplies of paper next year, being only 182,000 tons from Canada.

Instead of 182,000 Canada now undertakes to deliver 200,000 tons. As a consequence it was widely questioned whether the WPB would not accept the Advisory Committee's recommendation of a 23% cut from the base period.

U. S. Will Buy "Surplus"

Third surprise was a further announcement of the WPB that the U. S. Government would buy all newsprint delivered by the Canadian mills in excess of 182,000 tons a month, the difference of 18,000 tons being put in a stock pile as a reserve against a possible shortage in the last half of 1944.

The tonnage accumulated in this way, it is further stated, will have no effect on the allocation plan announced as being effective from Jan. 1.

Strongly hinted is that the lines between the WPTB and WPB have got badly crossed; perhaps that the WPB has been put in an embarrassing position.

Reaction of American publishers to the confusion arising out of the seeming lack of co-ordination as

(Continued on page 2, col. 6)

Cabinet Works On Its Policies For War Goods

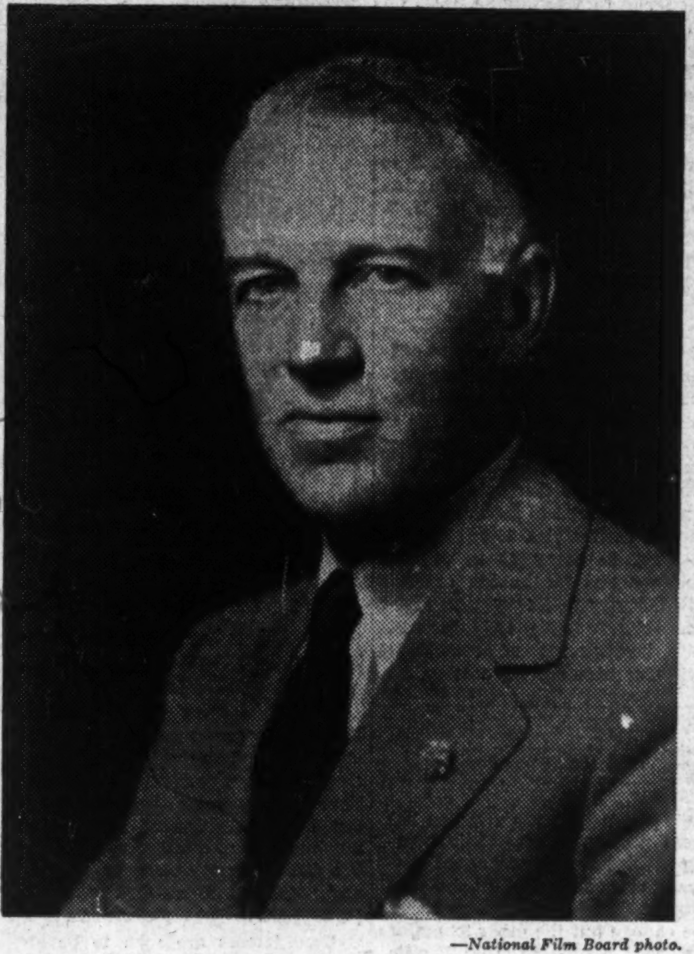
By STAFF WRITER

OTTAWA.—It is expected that at the first meeting of War Assets Corp. Ltd., J. B. ("Jock") Carswell will be named president and general manager of the company.

At a press conference last week Prime Minister King announced the names of the directorate of War Assets Corp. and also those of the personnel of the Crown Assets Allocation Committee which is to assist the Cabinet in reaching decisions on questions of policy as to disposition of surplus war goods, equipment and material of all kinds.

J. P. Pettigrew, assistant deputy minister of the Department of Munitions and Supply, has been named chairman temporarily of the Crown Assets Allocation Committee. The

(Continued on page 2, col. 1)



—National Film Board photo.

John Ballantyne Carswell, a dynamic Scottish-born civil engineer who, it is expected, will become president of the newly-formed Crown corporation, War Assets Corporation Ltd. Formerly director-general of the Washington office, Department of Munitions and Supply, Mr. Carswell was last week named as one of 11 business and labor representatives to direct War Assets Corp. in disposing of Crown property for which there is no further war use. Mr. Carswell is 55 years old, a native of Paisley, Scotland, and a graduate of Glasgow University. He began his career in Canada in 1910 as assistant engineer for the Grand Trunk Railway. Later he joined a Montreal firm of architects and during the last war was chief engineer for the Royal Air Force. In 1918 he formed the Carswell Construction Co. of Toronto which he headed until 1928 when he became managing director—later president—of the Burlington Steel Co. He has been associated with the M. & S. Washington office since 1940.

Are We Losing Out in Mexico?

Here's the Situation on the Airline Race

David B. Crombie, of the Montreal staff of the MacLean Publishing Company, Limited, writes the following article from Mexico City where he has been investigating trade possibilities and reporting on developments there for this company.

By DAVID B. CROMBIE
MacLean Publishing Co., Ltd.

MEXICO CITY. — Mexico is the scene of a great airline fight as major commercial carriers of the United States battle for Latin American routes.

"The gloves are off," the president of one large operation told me.

While Canada, Great Britain and the United States talk of "postwar" routes, the motto down Mexico way is: "Do it now."

While U. S. airlines are fighting their way into these rich markets, considerable wonder is expressed in Mexico why British interests have made no attempt to invade the aviation field there as well.

And why are there no Canadians trying to get into this picture, several asked me, pointing to the importance of Mexican aviation rights as a key to extending operations through Central and South America.

I was told that there are still opportunities for Canadian interests, for instance, to get into the Mexican airline picture and by that means be in a position to go after connecting routes in Central and South America.

There are no less than 22 different airlines operating in Mexico, apart from those already mentioned, and the country is covered with an amazing network of routes that reach into practically every section.

And, in the scramble, British interests are right out in the cold.

Here are the facts as given to me here:

Campania Mexicana de Aviacion, Pan American Airways Corp. subsidiary, has long been Mexico's biggest airline, operating throughout the country and into Guatemala. In addition, Pan American itself has operated international routes from the U. S. into Mexico for some years.

Eighteen months ago American Airlines Inc., entered the field, and is now running from both Dallas and El Paso to Mexico City. A few months ago United Air Lines bought a 75% interest in the Lamsa line which operates from El Paso to Mexico City. United aims to connect Lamsa with its U. S. routes and provide direct service to Mexico City.

TWA (Trans-Continental and Western Airlines), in co-operation with Time Inc. and Adams Express, recently bought out TACA (Transportes Aereos Centro-Americanos) which operates in Central America.

TACA Looks North

While American and United cast eyes southward from Mexico, TACA, on the other hand, is looking northward towards the U. S. where it would join hands with its mother company, TWA.

TWA, in its purchase of TACA, has penetrated most deeply into Latin America and has won the first round, in the opinion of Mexican observers.

Thus, the three largest domestic carriers of the U. S.—American, United and TWA—have become international operators in direct competition with Pan American, for years the only U. S. airline operating in Mexico, Central America and South America.

Braniff Airways, important carrier in southwestern U. S., runs to Laredo and Brownsville where at present passengers for Mexico connect with CMA and PAA respectively. T. E. Braniff, president of the line, has been in Mexico recently. He is also after routes to Latin American countries.

Mexico City's airport is in fifth place in the hemisphere for volume of air traffic, which is something that highly pleases Mexico's Director of Civil Aviation, General P. A. Alberto Salinas Carranza.

First Airmail Flight

General Salinas, who has been flying since 1912, carried the first airmail in Mexico on July 6, 1917, which was earlier than U. S. airmail flights.

At his beautiful estate near Cuernavaca, where two roaring waterfalls remind him of Niagara Falls and his only visit to Canada, General Salinas told me how coffee, chicle and vanilla are brought out of the mountainous regions by plane.

Where once it took eight days by mule pack, now it's a matter of 30 minutes. Mexico has jumped direct from mule to plane as a means of transportation in many parts of the country. Small planes, carrying payloads of 400 and 500 pounds, are used in the service—and the operations are highly profitable.

First airline in Mexico was established in 1921 to fly payrolls from Tampico to the Oil Wells. Since then, Mexican aviation has had to overcome many obstacles.

Early this month another chapter in civil aviation was written when the first Aviation School for the training of civilian pilots and technicians was opened at Puebla.

New Survey of Mines Shows Shift In Interest To Gold

Reflecting a multitude of changes affecting the mining industry, the 18th annual edition of The Financial Post Survey of Mines for 1944 is now off the press. A limited supply is available for those who did not place prepublication orders.

The story of significant changes in the business of mining—and how they affect the individual company and its shareholders—runs through the entire 224 pages of this 9 in. by 12 in. book which has established its reputation as the outstanding publication in its field.

A distinct shift in investor interest—and prospecting—to gold mining is noted. Total of 750 prospectors are stated to have been active in the field in 1943, a substantially greater number than in immediately preceding years, with chief attention devoted to the search for gold. With a lessened need for strategic minerals, promising new gold discoveries, it is thought, may form the basis for a marked revival of gold mining after the war.

Thousands of Canadian mining companies, including all producers, mine financing companies, and many inactive issues, are reviewed in the new volume. Besides its complete write-ups on individual companies, together with their earnings, ore reserves, financial position and prospects, the volume contains an eight-year price range, tables on mineral production and 18 maps covering the chief mining areas of Canada, including the new Missanabie, Kamiskotia areas, as well as older areas.

The Survey of Mines is published by The MacLean Publishing Company, Limited, of Montreal and Toronto, and is priced at $2 a copy.

Say Canada Not Nigger In Woodpile

Believe Australia Holding up Empire Air Policy Talks; "Beaver" Riles U. S.

By STAFF WRITER

OTTAWA—Canada is not the Dominion that has caused delay in developing a unified Empire air policy, The Financial Post is informed.

Last week, in a cabled dispatch to the New York Times, it was indicated from London that "British Government hopes of developing a unified Empire policy on postwar civil aviation . . . had not materialized as rapidly as had been anticipated"; that "some of the Dominions are hesitant about committing themselves to any policy at the present time"; and that "at least one Dominion has indicated a desire to see more clearly where the U. S. stands before committing itself."

Apart from suggested changes in the phrasing of hastily constructed proposals put forward at the recent air parley in London, which Hon. C. D. Howe attended, it is said here that the Canadian Government has expressed itself in accord with the general principles reached at that time.

It is thought here, though not definitely known, that the Dominion referred to as being especially hesitant and waiting word from the United States, is Australia, not Canada.

Australia is reported here as adopting a non-committal attitude on a number of Empire or Commonwealth matters, presumably because of the important new influence

(Continued on page 2, col. 5)

Need Seen to Speed Postwar Planning

Either Separate Reconstruction Ministry or Special Committee Thought Likely as Solution When Cabinet Decision Made

By KENNETH R. WILSON

OTTAWA.—No decision has yet been reached either as to publication of the James report or how postwar planning in Canada is to be administered.

Some change in postwar administration is clearly called for in the opinion of observers here. The two alternatives seen are:

(a) A separate Ministry of Reconstruction;

(b) A special Cabinet committee with its own secretariat.

The present plan of resting authority with the Prime Minister and channelling responsibility through the Advisory Committee on Economic Policy is considered inadequate to present needs. More coherence, initiative and responsibility, especially at the Cabinet level, is thought to be overdue.

Weakness of a separate Ministry under prevailing political and personality considerations is that unless the Minister were made perhaps President of the Privy Council, a post now held by the Prime Minister himself, with direct responsibility for postwar planning and unless this post were given to a very senior and aggressive member of Cabinet, the Ministry would tend to become little more than a fifth-wheel proposition.

No Job for "Junior" Minister

To give such an important ministry to a "junior" minister, in view of the strong stake which Finance, Munitions & Supply, Labor and other departments have in the matter, would, it is argued, be of little value. About all such a Minister might be able to do would be to take on certain "special" jobs and make sure they did not infringe on the preserves of other departments.

Two "strong" men prominently named in this connection are Hon. C. D. Howe and Hon. J. L. Ilsley. But it is thought unlikely that either will be named.

The alternative which is thought to stand a chance of adoption is to establish a special Cabinet committee with its own secretariat. Here again a "weak" committee might be even more ineffective in getting results than would a weak ministerial appointment.

Most effective means of co-ordinating postwar planning seems to be the suggestion that the present War Committee of Cabinet be reconstituted so as to give its present membership and secretariat responsibility for this field. It is suggested that with some changes in personnel, and a considerably strengthened secretariat, the War Cabinet might meet certain days of the week, as at present, to discuss war problems, and perhaps one day a week, for the present, to discuss in its capacity as the Cabinet Committee, postwar planning.

No Final Decision

There is at present no final decision on this highly important and contentious question. Names of younger men, such as Brooke Claxton, have been mentioned. As well there is the possible effect of resignation of Ian Mackenzie and the question of where his successor might stand in relation to postwar rehabilitation and reconstruction. Any such action appears far less certain by reason of Mr. King's recent denial of rumors of Mr. Mackenzie's retirement.

Gray Turgeon, who has been actively associated with postwar planning as chairman of the Commons Committee on Reconstruction and Rehabilitation, is also mentioned. Undoubtedly he would have a considerable interest in postwar matters but would be more likely to make a useful contribution as member of a Cabinet committee than as Minister in charge of Reconstruction.

Some decision is likely, prior to assembly of Parliament, but none has apparently been reached as yet.

Year's Output Of War Goods Rises 37%

By STAFF WRITER

OTTAWA.—War production in Canada during 1943 soared 37% to an all-time record high of $2.8 billions, as compared with just over $2 billions in 1942, according to preliminary year-end estimates.

These figures are exclusive of defense construction projects and expenditure on capital assistance.

The total production and extension program undertaken during the year by Department of Munitions and Supply was almost $3.2 billions. This includes $217 millions for defense construction projects and $186 millions for new capital assistance.

Greatest percentage increase in production for any single group was recorded for Instruments and Signals which chalked up a gain of 103% to a new high figure of $183 millions compared with $90 millions in the preceding year. Production of small arms ammunition also increased 92% to $75 millions compared with $39 millions in 1942. The only important production group to show a decrease in 1943 was gun ammunition which dropped 10% from $218 to $195 millions.

Miscellaneous Group Largest

Largest single grouping of Canadian war production is Miscellaneous Military Stores which it is estimated were produced in Canada in 1943 for a total of $540 millions—a 30% increase over the corresponding total of $414 millions in 1942. This classification includes clothing, personal equipment, foodstuffs, fuel, etc.

Comparative figures for production in 1943 and 1942 with percentage change in each case is as follows. It must be remembered that

(Continued on page 2, col. 3)

Share Pushers Exploit Prospecting Syndicate

The $10,000 "prospecting" syndicate, which is entirely outside the regulations of the Ontario Securities Commission, has become a favorite device of the unscrupulous share pusher.

By forming one of these syndicates at no cost whatsoever, individuals with records for fraud, theft, false pretenses, etc., and who have been refused licenses by the Commission, are selling shares, advertising and carrying on their high pressure businesses. There is nothing that the Ontario Securities Commission can do about this group. It is stated right in the amended Securities Act that no registration shall be required of $10,000 syndicates.

All that is required with these $10,000 syndicates is that a copy of the "prospecting agreement" be filed with the Provincial Secretary, who "shall not be required to determine" whether the purpose of the syndicate is solely for financing a prospecting expedition or that the agreement limits the capital of the syndicate to $10,000. The only power the Provincial Secretary has, apparently, is to change the name of the prospecting syndicate.

The original purpose of these $10,000 syndicates was to provide means whereby a prospector could bring together a few businessmen to pool $10,000 of their own money to finance a prospecting expedition. The aim was laudable, but the device has been used for purposes never intended or expected.

Many of these syndicates appear to have become nothing more than stock-selling fronts for individuals who want to evade security regulations. No accounting is required of the syndicates. Officials can pay out all funds received for office expenses, salaries, etc., if the Criminal Code doesn't catch up with them.

The background of a few of the organizers of these syndicates is illuminating.

Mr. "A," who heads up two of these syndicates has spent at least six terms in jail, reformatory and penitentiary on convictions of fraud, false pretenses and theft. Convictions extend over a period of 15 years; sentences have been served in both this country and

(Continued on page 2, col. 1)

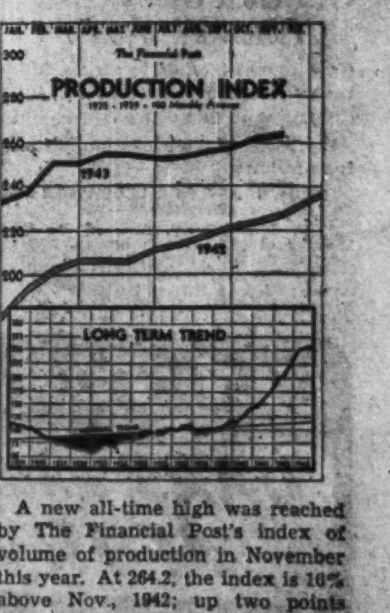
CCF Spokesmen Admit Survey Insurance Not Completed Yet

By STAFF WRITER

OTTAWA.—CCF spokesmen here say the "survey" on the insurance business to which CCF Research Director Lloyd Shaw referred in his recent speech, is not yet completed; will not be ready for possibly another couple of months. It covers fire and casualty, as well as life insurance, and re-works apparently the well-trod ground which "investigators" in the U. S. and Canada have covered for many years as to costs, management, directorates, lapses, etc.

A drive to "nationalize" insurance in Canada is no new thing. Almost 10 years ago the CCF introduced a resolution into the Commons: "That in the opinion of this House the Government should give immediate consideration to the advisability of nationalizing life insurance."

Pace of Business



A new all-time high was reached by The Financial Post's index of volume of production in November this year. At 264.2, the index is 10% above Nov., 1942; up two points from October this year. Upward trend has not been seriously interrupted since war started and official statements that peak of war production was reached in December suggests further gains may be on the way next month.

For complete business statistics, see page 7.

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Share Pushers Exploit Prospecting Syndicates

(Continued from page 1)

abroad. He was convicted in Toronto some years ago for theft of stocks and a car, receiving five years in Kingston penitentiary.

Unable to secure a license as a securities issuer, Mr. "A" now operates a tipster service, a front for pushing his $10,000 syndicates which are not subject to any regulation.

Mr. "B" has been known to the police for almost a decade. He has been in court many times, but he has served only one reformatory term for fraud and false pretenses. A few years ago he was given suspended sentence on a jail term when restitution was made of part of the money which was entrusted to him. He has formed two $10,000 syndicates so far.

Mr. "C" was convicted not long ago in an Ontario town of obtaining certain valuable securities by false pretenses with intent to defraud, and a number of breaches of the Ontario Securities Act. He was granted suspended sentence on his two-year false pretenses term and fines were assessed for each of the breaches of the Securities Act. He can't get a security issuer's license, but he can sell interests in his $10,000 syndicates.

Then there is Mr. "D," who has found it expedient to change his name by deed poll. He was unsuccessfully prosecuted for perjury since changing his name but can now sell units in his $10,000 syndicates.

Mr. "E" has been sentenced twice so far this year for various misdemeanors. Nevertheless, he made big money with farmers recently by claiming to be an official handling a critical raw material for a famous war plant. He never sold a pound of his raw material.

These $10,000 prospecting syndicates, as operated by some unscrupulous individuals, are better than most gold mines. Ways have been found to make a $10,000 syndicate yield as much as $250,000 or $300,000 for the operator.

HOW THE RACKETEER WORKS

Here is how the racketeer works:

First of all the racketeer becomes a "prospector"—a requirement for forming such a syndicate under the act. Becoming a prospector is accomplished by taking out a prospecting license for a nominal fee.

Next is getting a property. Lots of ground has "come open" in mining areas in recent years. Claims can almost always be acquired somewhere that is within a few score miles of a producing mine. A telephone call or a train trip to the mining area plus a few dollars can make anybody the possessor of some kind of "mining ground."

Then, typically, comes the fancy promotion literature claiming the presence of several minerals. As authorities would have to spend millions to disprove the presence of the minerals named, it is "safe" to claim more than one mineral—always taking care not to be specific about such things as length, width and average values. Richness of certain unspecified samples can be stressed—and the tremendous market which exists for the minerals "we have on our property."

In more than one case where capitalization was 1,000 units approximately 850 units have been issued for the property. The cart has been profitably put before the horse. Instead of raising $10,000 to spend finding a really good property, a dud property may be "bought" by the syndicate for most of its capitalization.

One promoter of such a syndicate with 850 units issued for property, is reported to have sold 100 of the 150 units remaining at $10, then sold his own 850 units to the public at $25 with none of the proceeds of this financing going to the treasury; subsequently he issued himself the remaining treasury units for nothing.

When all units of a fly-by-night syndicate are sold, another syndicate can be formed with a new name, an office can be opened in a new location, another old piece of moose-pasture can be re-named, and the share-pushing process can be repeated.

Work On War Goods Policy

(Continued from page 1)

Government intends to seek a full-time permanent chairman for this committee in due course.

Personnel of the two organizations is as follows:

CROWN ASSETS ALLOCATION COMMITTEE

J. P. PETTIGREW, assistant Deputy Minister of Munitions & Supply, chairman; W. D. MATTHEWS, chief Administrative Officer, Department of External Affairs; LT.-COL. H. DESROSIERS, Deputy Minister of National Defense (Army); DONALD GORDON, chairman, WPTB; B. G. McINTYRE, Controller of Treasury; E. P. MURPHY, Deputy Minister of Public Works; J. H. BERRY, Controller of Motor Vehicles, Department of Munitions & Supply; The President of War Assets Corp. Ltd. (ex-officio); LOUIS PHILIPPE ROY, former provincial Deputy Minister of Agriculture, to represent agriculture; PERCY BENGOUGH, president, Trades & Labor Congress of Canada, to represent labor; MRS. C. H. THORBURN, Ottawa, to represent the householders of Canada.

WAR ASSETS CORP. LTD. DIRECTORS

J. B. CARSWELL, formerly representative of Department of Munitions & Supply at Washington; WILFRID GAGNON, Montreal; LT.-COL. GOODWIN GIBSON, Toronto; A. C. GUTHRIE, Montreal; JOHN KNOX, Timmins; HUGH LAWSON, Toronto; J. P. D. MALKIN, Vancouver; A. T. O'LEARY, Halifax; J. J. PERRAULT, Montreal; R. D. PURDY, Calgary; J. B. WARD, Montreal.

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Handling Canada's Show Arouses Wonder in U. S.

Conservation Exhibit Gets Excellent Reception From Those Who Saw it But Publicity Held to Be Poorly Arranged

By H. L. SOUTHALL
MacLean Publishing Co. Ltd.

WASHINGTON. — Visitors and industrialists who have seen Canada's exhibition here of wartime savings in materials and manpower in war production, are wondering why this show is being taken back to Canada; asking why it should not have visited other U. S. centres; are regretful that for some reason virtually no publicity has been given it and a couple of events which would have brought it to the attention of a very big group of war industries were cancelled.

Some quarters express particular regret because, they declare, this show could well have been taken to other important U. S. industrial centres, particularly when some manufacturers found it worthwhile to travel considerable distances to examine it in detail.

There may have been some good reason for this. The Canadian officials responsible for the exhibition are loud in their praise of the excellent co-operation they have had from some U. S. authorities.

Impresses Visitors

At least 7,000 persons viewed it during its month's showing in Washington.

The exhibition of savings in critical materials and manpower by Canadian war industry arranged by the Conservation Committee of the Department of Munitions and Supply opened in Washington, D.C., on Nov. 9 at the request of the U. S. War Production Board.

The exhibit was operated in conjunction with a U. S. demonstration of conservation in industry, but the Canadian exhibit was unique in that it was almost entirely devoted to savings accomplished in production of war materials, whereas the U. S. exhibit dealt almost entirely with substitute materials and short-cuts in production of civilian requirements.

Conveniently Located

It is the opinion of various officials connected with U. S. war production that nothing has put Canada over with U. S. industrialists as has this exhibit. They report that numerous U. S. manufacturers who have spent hours examining it have been instrumental in inducing many others to do likewise. They have not hesitated, in many cases, to give Canada credit for having outdone U. S. industry in its progress along some lines, notably in connection with development of centrifugal casting, carbide and fly cutting, etc.

War and Business . .

Retailers' Headache

Add to the headaches of the large retail stores and chains these war days the problem of satisfying irate customers when the authorities step in suddenly and take over large blocks of merchandise for the armed forces. Faced by an emergency the military know that only from the large merchants, particularalry chain stores, can large blocks of goods be secured quickly and easily.

The results to the merchants, however, have been embarrassing. Invariably customers come to them and complain "Why haven't you big fellows got plenty when the little fellow on the corner has sufficient to satisfy all his customers?"

* * *

A Postwar Job

There are 30,000 level railway crossings on Canadian highways and all but 5,000 of these, engineers estimate, could be provided with bridges or subways without undue difficulty. There is an official appropriation of $200,000 annually for this work but railway employees in a recent brief to the Parliamentary Special Committee on Reconstruction and Re-establishment suggested that this be boosted to at least $500,000 as a practical postwar step.

* * *

Electronics and Plywood

Plywood makers, it appears, will move slowly in converting their plants from the common hot press process to electronic heating—high-frequency current between electrodes. One of them, at Albany, Oregon, already has made the change but the other 32 major plywood plants in the Pacific Northwest, including B. C. Plywoods, New Westminster, appear more cautious.

That the new process may be applied in making heavy plywood panels 2 to 3 in. thick but that, in general, it has not shown great benefit over hot press equipment, is the opinion expressed to the Vancouver Sun by J. G. Hendry, B. C. Plywoods chief electrician, while another official of that firm is quoted as saying: "We will change when we are convinced use of electrons is practical and more efficient."

Electronic heating equipment for plywood is said to be costly to install, designed like a diathermy machine used by the medical profession. It subjects glued wood veneer to high-frequency alternating current which heats the insulation product represented by the glue. Principle is that materials normally containing insulative qualities will become heated when exposed to an electric static field of high frequency. Electrons heat from the inside; the hot press, from the outside.

* * *

Fuelwood Supplies

Here is an idea for overcoming the fuel shortage. To help employees get wood for fuel, John Labatt Ltd., London, got special permission from WPTB to use two transports to haul wood to London; volunteer crews from the staff manned the trucks. wood is stored in the Labatt yard against orders from families of workers.

Success of the Labatt experiment appears due in no small measure to knowing where wood can be obtained and getting permission to use trucks. A large Toronto department store attempted to do a similar job with what appears to have been only moderate success. The Toronto store sought its wood in the Muskoka district but found it scarce. Other troubles were transportation—in this case the railways—a saw to cut the wood and labor and equipment for preparing and delivering.

* * *

Alloy Stockpiles

United States now has a 90 days' stockpile of nickel, six months' supply of molybdenum and vanadium, a year's supply of manganese, chromium and tungsten.

This marks the first real turning point from the critical situation in which that country, and Canada, found itself with regard to these alloying materials at the end of 1941 when many sources of supply were lost. Now the War Production Board has lifted three ferro-alloys, vanadium, molybdenum and cobalt, and possibly tungsten, from its allocations system. Still under the allocations system are tantalum, chromium, nickel and columbium. Boron is not under allocation while copper and aluminum are.

Year's Output Rises 37%

(Continued from page 1)

the 1943 figures are as yet only preliminary.

Record of War Production

	*1943	1942	Change
Miscel. military stores	540	414	+30%
Mechanical transport	446	373	+20%
Cargo & naval vessels (incl. repairs)	423	256	+64%
Aircraft (incl. overhaul)	341	217	+56%
Armored fighting vehicles (incl. tanks)	225	152	+50%
Guns & small arms	196	156	+25%
Gun ammunition (incl. bombs)	195	218	—10%
Instruments & signals	183	90	+103%
Chemicals & explosives (incl. filling)	152	128	+18%
Small arms ammunition	75	39	+92%
	2,776	2,043	+3[illegible]
Defense construction projects	217	219	unch.
Total	2,993	2,262	+32%
Capital assistance	186	210	—11%

*Preliminary estimates.

Cumulative figures of Canadian war production since the beginning of war now approach the $6 billion mark. This is exclusive of the amounts spent on defence construction projects by the Department of Munitions and Supply and also capital assistance to war contractors. If the $668 millions spent on defence construction projects since the beginning of the war are included, the grand total for war production and defence reaches $6.6 billions. Defense project expenditures in 1941 and 1940 are placed at $138 and $94 millions respectively.

Total of capital assistance as estimated spent by the government since the outbreak of war is $763 billions. Apart from the figure for 1943 and 1942 shown above, the outlay in 1941 and 1940 is placed at $255 and $112 millions respectively. These figures do not include $75 to $80 millions spent by Wartime Housing.

Earlier estimates that overall war production plus defence construction projects would reach the $3.7 billions mark in 1943 were not realized. As indicated previously in The Post, shortage of manpower and the revision of the program in the early summer lessened the possibility of reaching that figure. Actual production came 15 to 20% below this original figure.

For the first six months of 1944, it is estimated that war production will decline a further 15% from the approximate total of $3 billions reached in 1943. If this level of production were continued during the latter six months of the year it would indicate an overall production figure for 1944 of $2.5 billions.

SOYBEAN PRODUCTION

Preliminary estimate of soybean production in Canada is placed at 909,750 bushels from 50,400 acres distributed by provinces as follows:

	Acreage acres	Yield bus.	Production bus.
Ontario	47,000	18.6	874,200
Manitoba	2,500	9.0	22,500
Brit. Columbia	900	14.5	13,050
Totals	50,400	18.1	909,750

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VICE-PRESIDENT

Squadron Leader Edward A. Nanton, elected vice-president of Osler & Nanton Trust Co. He is also a director of Osler, Hammond & Nanton Ltd.

No Air Holdup From Canada

(Continued from page 1)

which U. S. is having on that country in regard to war operations.

Beaverbrook Talks Break Down

There is no disguising the fact that the supposed Beaverbrook discussions in Washington, in which Canada was expected to participate, have momentarily broken down. Reasons ascribed here are not so much hesitancy of other members of the Commonwealth as the attitude and readiness of the U. S. itself to participate in such discussions.

Two factors are seen to be at work in this connection: (1) Some resentment in U. S. air circles over the manner in which Beaverbrook has approached these discussions; (2) Delay in the U. S. itself in deciding on a common approach.

The personality angle, so far as Beaverbrook is concerned, is of considerable importance. It is traced to supposed resentment in Washington that Beaverbrook, in his anxiety to get things done quickly, has tried to get things cleared at a very high level, presumably Harry Hopkins, rather than by working through the established administrative and "expert" machinery which has been set up to deal with U. S. policy and which has been deliberating on these matters for a long time now.

It is thought here that this friction between personalities is probably a more important deterrent to present consummation of a U.K.-U.S.-Canada parley than the fact that U. S. is not ready to talk postwar air turkey.

Paper Trade Is Confused

(Continued from page 1)

between the WPB and the WPTB is expected to be pronounced, especially as the WPB announced the cutback after the release of the Canadian statement.

Meanwhile on the basis of known shipments for the first half of 1944 it would appear that U. S. publishers will be limited to a consumption of newsprint paper well below deliveries.

The indicated supply is 273,000 tons a month, of which Canada will provide 200,000: American mills, 60,000 and Newfoundland 13,000.

In contrast with deliveries this year this represents a drop of 10,000 tons in Canadian shipments; 7,500 from domestic sources and an increase of nearly 2,000 tons from Newfoundland; a net decline of 15,500 tons monthly.

The situation is additionally complicated by the WPB's news release which says that consumption in the United States for the first quarter of 1941 was 869,296 tons and that the reduction of 23.6% ordered for Jan. 1 next will total 205,709, leaving a new tonnage of 663,587 tons, or 221,196 a month.

On this basis there would appear to be a surplus of 52,000 tons a month. However, consideration has to be given to increased circulation, which for 1943, required around 18,700 tons monthly. Including this figure it would appear that the American supplies for the first half of 1944 will exceed the total amount permitted to be consumed by 43,100 tons.

Calculations made by The Financial Post lead to the conclusion that the 23.6% cut ordered may be justified if the objective is to preserve publishers' stocks at their present level.

Disregarding consumption figures as released by the WPB and taking those prepared by the American Newspaper Publishers Association and the Newsprint Association of Canada (which are rated as accurate) the American supply and consumption picture for 1944 shapes up as follows:

	Tons
First Quarter	
Apparent consumption (1941)	943,786
Less cutback of 23.6%	222,733
Net consumption 1944	721,053
Monthly average	240,351
Second Quarter	
Apparent consumption (1941)	1,013,113
Less cutback of 23.6%	212,095
Net consumption 1944	801,018
Monthly average	267,006
Monthly average 1st quarter 1944	240,351
Monthly aver. 2nd quarter 1944	267,006
Monthly average 1st half 1944	253,678

Allowing for additional tonnage for increased circulation, the 23.6% cutback ordered by the WPB would bring consumption of newsprint paper by American publishers to within 614 tons a month of the prospective monthly supply.

Must You Borrow
To Carry On Your War Work?

Your war work is your most important job. The Bank of Montreal encourages war-time saving, rather than *borrowing,* but there are cases where a timely bank loan not only saves money for the borrower but helps him to do a better job for VICTORY. Please feel free to discuss your financial needs in confidence with the manager of our nearest branch.

BANK OF MONTREAL
FOUNDED IN 1817
Modern, Experienced Banking Service . . . *the Outcome of 126 Years' Successful Operation*
A 199

Gain Generally Unlisted Stocks

Plaxton, McDonnell & Co. state gains were general throughout the unlisted stocks during the past week. Acme Farmers Dairy preferred gained 1 point at 87 bid. Andian National was fractionally stronger at 23½ to 25.

Brantford Roofing common gained ¼ at 5¾ bid. Brown Co. preferred firmed ½ at 31 to 33¾. Canadian Industries B gained 1 point at 156 to 159. Canadian Westinghouse was fractionally stronger at 47½ bid.

Dunlop Tire preferred was quoted 24¼ to 25¼, ex dividend. Provincial Paper preferred advanced 1 point at 100 to 102½. P. L. Robertson Mfg. common firmed ½ at 24 bid. Sutton Horsley eased fractionally at 60c to 90c.

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Dresden, Ont.	Dec.	Midland Securities	3%	15-yr.	$39,500	100.58	....
Ottawa, Ont.	Dec.	Monk, Steers & Co.	2¼% 2½% 3%	5-ser. 10-ser. 15-ser.	162,000 35,500 18,000	101.93	1.813%
Kingston, Ont.	Dec.	Wood, Gundy & Co.	3-3¼	1944-58	130,000	102.578	2.67%
Dominion—							
Canada Treasury Bills	Dec.		....	Mar. 17, '44	55,000,000	99.896	.416%

Kinika Gold Mines—On Nov. 4, Douglas Developers & Enterprises Ltd., optioned a million shares in blocks of 100,000 shares each at 5, 6, 7, 8, 10, 12½, 15, 17½ and 20c. a share, payable $2,000 monthly. Authorized capital is 3 million shares with 1,150,005 shares issued.

COCKSHUTT
COCKSHUTT
IS PLANNING FOR THE FARMS
of Tomorrow

Here at Cockshutt's we are still very busy helping to supply the sinews of war to the Allies and labor-saving farm equipment for Canadian farmers.

But . while making our contribution to Victory . . . we are planning for peace. We realize that postwar standards are shattered forever. We recognize . . . and will be ready to meet . . . the demands that postwar mechanization will make on our production facilities. We have an important share of responsibility for the welfare of the farmer . . . and we plan to pass on to him . . . just as soon as we are free to do so . . . the fruits of our wartime manufacturing experience.

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COCKSHUTT PLOW COMPANY LIMITED.

What's Ahead for Canada

Stephen Leacock Talks of Provincial Autonomy; Considers It the Greatest Barrier to Social and Political Progress

By STEPHEN LEACOCK

Chapter 4—The Dominion and The Provinces

It is my opinion that the conflict of authority between the provinces and the Dominion Government represents a grave obstruction in the path of Canadian progress. It will become increasingly grave when the new era before us demands expansion, sweeping social reform, a bold policy of development, with the immigration of millions of British people and influx of billions of capital.

We cannot do everything nine times over. Our provinces have, within the last generation, been visibly turning into something like nine separate sovereignties, or at least nine separate autonomies. It is the problem of "States Rights" all over again, the irresistible force blocked by an immovable object. In the United States of 80 years ago only the sword could finally arbitrate the quarrel.

It is not merely that there is a division of authority, a conflict as between the powers of the Dominion and those of the provinces. This very division itself gives the opportunity for a sort of open conspiracy. The conflict itself can act — already does so to some extent — as a shelter for inertia, an entrenchment for vested interest.

The situation recalls the famous invisible character, Mr. Jorkins, in Dickens' "David Copperfield," used by his busy and active partner, Mr. Spenlow, as a shield against any charitable demands on the firm. "Jorkins," he would report sadly, "is inexorable." The phrase has lived in literature. So with us: "I would like," says the kindly manufacturer, "to have a high minimum wage all over Canada and keep all the boys and girls at school till they are eighteen, but of course one province (and he whispers the name) would never hear of it."

Provinces Lie Near Our Hearts

I am well aware that anything like denunciation of provincial power is an unpopular doctrine — like talking abolition in South Carolina. We have to admit, of course, that the provinces are the real historic units. Round them centres all the glory of our history, the remembrance of early settlement and adversity, the affection that clings to the family and to the remembered scenery of one's home. The provinces, in the immediate sense, lie nearer to the hearts of most of our people than does the larger but more abstract conception of the Dominion and the still wider orbit of the Empire.

This is all the more true inasmuch as the provinces of Canada, if we take the prairies as one, represent actual units of history and physical units of geography. A man who lives in the state of Colorado or Wyoming cannot find out where it is, without an observation by the sun. A man in Prince Edward Island, if he passes the boundary, walks off into the sea, and in British Columbia he couldn't climb out if he tried. Hence the whole setting and background of our Canadian provinces seems to indicate them as the proper form of our natural life, separate groups of people each doing things in their own way and letting the others do the same—Victoria with its English customs, Ontario with its merry Sunday loud with the shouts (of people coming out of church), Quebec with a Saint's Day for every ball game and Prince Edward Island with tight prohibition and plenty to drink.

Many people would think that with such a sensible let-alone system as this, supplemented by a sudden huddle of union in grave emergency or war, we have exactly what is needed to combine local freedom with national security.

The case for provincial autonomy is made still stronger when we remember that one province, the oldest and the largest—Quebec—is for its French-Canadian people almost everything; and for some of them quite everything. It is all that history has left them of a regime that was their own, of the language and religion of their mother country. For them——ever so many of them, I won't say all—Canada is just the frame that holds Quebec, and the Empire the wall on which it hangs. The province is the picture.

> **"Hence the whole setting and background of our Canadian Provinces seems to indicate them as the proper form of our natural life, separate groups of people each doing things in their own way and letting others do the same—Victoria with its English customs, Ontario with its merry Sunday loud with shouts (of people coming out of church), Quebec with a Saint's Day for every ball game and Prince Edward Island with tight prohibition and plenty to drink."**
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> **"With this inhibition by divided control of natural assets and the facility of reaching them goes an increasing conflict of tax power. The Dominion and the provinces both clutch at the taxpayer from opposite sides. Neither cares whether the other has already been through his pocketbook. The municipalities, like trained dogs in a butcher shop, grab for the scraps."**
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> * * *
>
> **"Nor is there any reason to continue them (appeals to the British courts) in Canada except as a lawyers' holiday, a Privy Council feather in a lawyer's colonial hat. An inferiority complex is hard to outgrow."**

And yet I contend that we have got to work away from provincial autonomy. The time has come when we have got to talk about it. We recall how the Walrus said to the Carpenter, "The time has came to talk of many things." The subjects on which he proposed to talk, his agenda, if he were a Royal Commission, turned out to be "cabbages and kings" and "why the sea is boiling hot and whether pigs have wings." Ours at first sight are equally recondite — property and civil rights, denominational minorities, jurisdiction over labor and the amending power of the judicial committee of the Privy Council. For bright young minds this sounds as prosy as a lawyer's library and far less interesting than the Walrus's quiz questions.

Indeed we actually have had our Walrus and Carpenter. We called them the Rowell (later the Sirois) Royal Commission on Dominion and Provincial Relations (1936-1937). They visited every first class hotel in Canada and piled up a mass of printed information which probably no single person has ever yet read. But it put a smoke screen over the whole controversy. Yet consider what it means, in a simple fundamental way, this question of provincial control versus Dominion control. Suppose in the new opening social era—in which we are to make or to mar this country — we want to have a high standard minimum wage all over Canada. It is easy enough, or not hard, for one manufacturer to grant it if all the rest do. But if you must do it nine times over? If one hang-back province with juvenile labor and low wages makes a bid for manufacturing supremacy, what then?

If we want all that now is going under the name of social security—care for the sick, help for the aged, relief for those out of work, an ample provision for the mother and child—all this can turn the black shadow across the doorway into bright sunlight flooding the home within, can we have this under our present nine times over system? Utterly and absolutely, no, and the sooner the mass of our people realize it the better. With the provincial autonomy of today we can have a part of it or a pretense of it or a parody of it—but a whole real program of social betterment, uplifted education, the care of illness, maternity and old age? Never.

Or suppose that we should wish to bring into Canada in the years after the war millions of British people, not merely for their own sake and for the future solidarity of the British Empire but for our sake, on the spot, for the development of Canada up to a population big enough to "operate" it. How can we do that as things are now with our divided jurisdiction? The Dominion Government can admit immigrants but it has nothing to give them, no land nor forest (except on the Yukon). And the provinces have no right to let them in, nor regulate their coming.

The provinces hold all national assets and can, if they wish, strangle immigration by withholding the use of them. It would be a "joke," so to speak, if the Dominion would open up the Mackenzie River Valley and show the provinces what they have missed.

With this inhibition by divided control of natural assets and the facility of reaching them goes an increasing conflict of tax power. The Dominion and the provinces both clutch at the taxpayer from opposite sides. Neither cares whether the other has already been through his pocketbook. The municipalities, like trained dogs in a butcher shop, grab for the scraps. A war truce for the moment holds the provinces back from the income tax but the fight is ready to begin again.

Inheritance taxes are equally a double game. Our dead may well turn in their graves; in Ontario they must be fairly spinning. Or look how the tax powers of the Dominion and the provinces are ready to tear down the forward movement of enterprise. Prospect for minerals, open a mine, bring in labor and machinery to try out a new mineral area and at once Dominion and provinces are tearing at it with license taxes, profits taxes, production taxes; each in fierce competition with the other regardless of the common good.

One recalls the old story of the parrot which had belonged to a ticket puncher and which had learned to reiterate, "One at a time, gentlemen; don't push."

We need that parrot up around Noranda.

Plans of Mice and Men

How then did all this come out! Strangely enough it has come in direct contradiction of all that was intended by those who made the British North America Act of 1867. We are told that the unexpected always happens. It certainly did in this case. Here, in a word, is the history of it. The main substance of the B.N.A. Act was made by Canadians themselves in conference at Quebec in 1864. The Act was passed by the (Imperial) British Parliament as the only authority that could pass it. But it was passed formally and without alteration. The British authorities indeed shared the views of the Canadians. They were eager for union for defense, to hold the Empire. The only little touch that they put in—or rather kept out—was to prevent Canada being called the "Kingdom of Canada"—a name which they thought might perhaps be offensive in other quarters.

But the main scheme of the Act was to take full advantage of the lesson afforded by the terrible Civil War still raging (1864) in the United States. There must be no such conflict, no obdurate "states rights," for British North America. As a consequence the Act of 1867 said this as plainly as lawyers could say it; only unfortunately lawyers can't say a thing plainly even when they try. The British North America Act explicitly said (or tried to) that the Dominion Government, as opposed to the provincial, was to have the whole scope of the powers conferred except only over things explicitly and definitely given to the provinces. Having said that the draftman lawyers began to mumble and mutter in their beards—and write in little touches and scratches—and chuckle. "It's just to make sure," they said. They meant, make sure of business for the law courts of the Privy Council. They certainly did.

In framing the distribution of legislative power, the makers of Confederation were not thinking of the things that later meant so much: jurisdiction over wages, labor and strikes—jurisdiction over corporations, combines—jurisdiction over social security. There wasn't any. They were thinking in the terms of their time, of the rights of religious minorities, the safeguarding of denominational schools and of setting up a uniform criminal law, national works and provincial local improvements. It all seemed very simple, except schools and religions. For finance they proposed to give the Dominion—and they did give it—the right to raise taxes of any mode or description and to cut the provinces out of all revenue from customs and excise. This being the chief source of public revenue, the provinces in compensation were to have annual subsidies—crumbs from the high table. On these they lived for years.

THE WASHINGTON LETTER

Canadian Pulp May Face Swedish Competition in U. S. by Early Spring

By LAWRENCE SULLIVAN

WASHINGTON.—The U. S. paper industry is giving serious attention to the possibility of expanded pulp imports from Sweden, according to trade advices reaching the War Production Board this week.

At present only foreign source of wood pulp for U. S. users is Canada.

Sweden is reported building her stockpiles of pulpwood in anticipation of a resumhption of export trade in the early spring. She is said to have her own ships available, and is expecting complete elimination of the submarine from the North Atlantic trade routes during the next few months. Swedish wood-pulp stocks are reported nearing normal average, for the first time since 1939.

"Swedish mills expect to have a working inventory of 415,000 tons of wood pulp by next April, and production at a level which will meet pre-war demands of both the U. S. and Great Britain," said a trade report.

"Although the U. S. ceiling price for wood pulp, set by the Office of Price Administration, is considerably below the world market prices, Swedish mills are understood to be planning to meet the low price in order to regain the market."

A. J. Pagel, of the wood pulp importing firm of Pagel, Horton & Co., 347 Madison Avenue, New York, who recently has been elected president of the Association of American Wood Pulp Importers, said he recently had received advices from Swedish mills concerning their hopes and plans for a resumption of export trade in April. Norway and Finland, of course, still will be out of the trade.

* * *

Apply Bread Regulations

After Jan. 16 all Canadian bakery products shipped into the United States must conform to the new bread standards promulgated by the U. S. War Food Administration on Dec. 11. These regulations prescribe minimum standards of vitamin enrichment for bread and all other yeast-raised bakery products, except crackers and cookies.

They likewise fix maximum standards of content for milk, shortening, and sugar. Canadian bakery products carrying a higher percentage of these ingredients than the maximum U. S. limits (fixed as a conservation measure) may not be shipped into U. S. markets along the border.

The enrichment standards also apply to doughnuts, crullers, and all fried cakes. For all products other than bread the minimum enrichment standards are determined in relation to the flour content of the dough mix. But for bread and rolls, the enrichment content is fixed specifically in milligrams per pound of bread.

The order also limits wrappings to one thickness of paper, save for end seals, flaps, and second thicknesses needed to provide stability of package for rolls and cakes. Loaves longer than 13 inches also may carry an inner wrap.

* * *

Higher Coal Prices

Another increase of ten cents a ton in U. S. bituminous coal prices is anticipated soon after Jan. 1, as a result of the new wage contract between the operators and the United Mine Workers of America. The contract brings to a close the nine-month wage controversy, which has resulted in two successive shutdowns and many scattered closings since last March.

An increase of 15c. a ton recently was approved by the Office of Price Administration following the October suspension. The second increase would be ten cents. It is subject to approval of the OPA, after the new contract has been ratified by the War Labor Board.

Year-end coal statistics published by Solid Fuels Administrator Ickes indicate a 50-day supply now on hand, with the prospect that U. S. stock piles will be reduced to a 20-day supply by March 1.

Ickes confirmed on Dec. 17 that Canada's normal coal allocations from U. S. would be protected throughout the winter, save that in many cases it may be necessary to substitute bituminous for anthracite tonnage.

Winter slow-downs in coal transportation likely will produce domestic heating hardships in many areas. Emergency relief plans contemplate temporary withdrawal of coal from electric utility reserves, where such stockpiles are more than 30-days' normal consumption, in areas where householders are inadequately supplied.

Many secondary industries will face temporary suspension during January and February, awaiting replenishment of coal supplies.

* * *

Possibilities in North

Vast potentialities for economic development along the Alaska Highway are forecast in the current issue of the Foreign Commerce Weekly, official trade promotion magazine of the Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce. The article, by David Fellman, a senior in the British Empire Unit of the Bureau, calls the whole area between Fort Nelson and Anchorage "a new frontier on the American continent."

Despite the inhospitable climate, the area offers opportunities to pioneers, Fellman believes, particularly in mining explorations and development of the fur trades. Both highway and air transport inevitably will hasten development of the whole region in the postwar years, the survey suggests.

The United States and Canadian governments are co-operating on an integrated geographic and resources survey of the entire area, including mapping, meteorological, geological, land and mineral explorations as well as an examination of the scenic and recreational possibilities of the region.

"When such surveys are completed and an assessment of the region's potentialities can be made, the first step will have been taken to insure its economic growth in the postwar era."

PLASTICS Today for MILITARY BUTTONS

TOMORROW—
PLASKON
(UREA-FORMALDEHYDE)
MOULDING POWDER
FOR A THOUSAND PEACETIME USES

This thermosetting plastic of a urea-formaldehyde type is marching with our soldiers on every army uniform. Buttons made from it have many points of superiority, "Plaskon" can be produced in a full range of standard colors from white to black. Its non-fading, water and grease resistant, strength, durability and beauty are properties that make "Plaskon" Moulding Powder an outstanding new raw material.

"Plaskon" urea-formaldehyde and Melamine-formaldehyde moulding powders sold by C-I-L, (now on allocation), will find many new uses in post-war homes and industries. In bathroom tumblers, dishes, light fixtures, buttons and as containers for cosmetics. For greases or organic solvents or oils "Plaskon" offers unique resistance.

C-I-L Plastics Division supplies to moulders and fabricators "Plaskon" Moulding Powders and other superior plastics for many purposes. Enquiries are invited for post-war development.

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PL-92

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"Well and Truly Done"

a tribute to

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The vast extent and infinite variety of Canada's industrial war effort have made it impossible to do more than touch briefly on some of the leading aspects of this impressive record.

In this, the final advertisement of the series, we pay tribute to all people in Canadian industry who have done and are still doing, so much to help in "Winning the Battle of Production."

President
The Canadian FAIRBANKS-MORSE Company Limited

311

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The CANADIAN Fairbanks-Morse COMPANY Limited

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Dominion Coal Co. Output Below 1942

November output of coal from Dominion Coal Co.'s Cape Breton and Springhill Collieries was 329,857 tons. This compares with 356,244 tons in the like 1942 months and 305,564 in October, 1943.

For the first 11 months of the current year production amounted to 3,414,167 tons as against 4,135,397 tons for the same period of 1942.

Common Stock Financing

The use of equity stocks is often the proper solution to problems of corporate finance.

Also for individual or family owners of corporations, the sale of a substantial portion or all of their stock equity is often the only means of safeguarding their estate.

Among the common stocks listed on the Montreal Stock Exchange and Montreal Curb Market, the following are some of those for which this organization has acted as principal, or one of the principals, in underwriting and distribution:

Agnew-Surpass Shoe Stores
Bell Telephone Company of Canada
Bulolo Gold Dredging
Canadian Bronze
Crown Cork and Seal
Famous Players Canadian
Industrial Acceptance
Jamaica Public Service
John A. Lang & Sons
National Steel Car
Niagara Wire Weaving
Pato Consolidated Gold Dredging
Placer Development
Provincial Transport
H. Simon & Sons
Wilsil
Zeller's

A pamphlet descriptive of many of the above companies will be forwarded on request to anyone interested.

The experience and facilities of our organization in this kind of financing are always at the disposal of corporation executives and owners for the discussion of their problems.

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OTTAWA QUEBEC SHERBROOKE

LONDON CALLING by Adelphi

Churchill Illness Brings Atlee, His Socialist Deputy, to Front

CABLED TO THE FINANCIAL POST

BY ADELPHI

Mr. Churchill's illness has added to the general worries of this oddest Christmas. He is held in such affection that there is a personal feeling toward him that permeates all classes. The public with its unerring instinct sees in him not only a modern Pericles but also an irrepressible urchin. They do not like the thought of his being away and still more they dislike the idea of his being on the sick bed.

I do not suppose Mrs. Churchill ever did any flying before the war, but now, like the rest of us, she is learning to take wings. With Mrs. Churchill, Major Churchill and Mrs. Oliver by his side, the Prime Minister will not lack home atmosphere for the Yuletide season.

While there is every confidence that Churchill will make a complete recovery, it must be realized he is in his seventieth year and that apparently his chest is a vulnerable spot. If he had to rest for a considerable length of time he would no doubt continue the present arrangement of the Government being led by Mr. Atlee as Deputy Prime Minister. If, however, Mr. Churchill eventually found the strain of office too heavy I doubt if the House would accept Atlee as Prime Minister. He is a fine man, a good soldier in the last war, and a politician who has never done a shabby thing. But he is an uninspired speaker both in the House and out of it. And the Conservatives, who are in such a majority, would hardly accept a Socialist as Premier.

All this, let us hope, is premature speculation. Mr. Churchill may come back with such strength that he will lead the country for another ten years. Nevertheless Anthony Eden must be watching the writing on the sands. More and more he looms up as the coming man.

* * *

Drew in London

George Drew's visit has been extraordinarily successful. He met all sorts from Ministers of State to ordinary M.P.'s and mixed with the people on the streets. They all liked him.

One day he went to Westminster and addressed a group drawn from all parties on Empire matters and particularly Ontario. His vision of the future of Ontario left his audience enthusiastic, also somewhat disturbed. According to Mr. Drew Ontario is a giant just coming into its strength. Its industrial production will be so enormous that the whole world will feel the impact. Premier Drew made no bones about it that he thought we ought to send more British men and women to Canada.

An after-meeting luncheon was given for him in the House of Commons dining-room. Since Hitler interfered with the amenities of the Palace of Westminster there are no such luxuries as private rooms, so Mr. Drew and his 20 hosts had to sit in the general room. Lord Bennett was one of those who turned up. It was a good collection of prominent Empire members from both Houses and again Mr. Drew made an excellent impression. His intention of reopening the Ontario Government offices here is regarded most favorably. The desire of the English businessman to keep in closer touch with Canada is now a definite policy and not merely a pose.

Can. Locomotive Clears Arrears

Final payment of bond interest arrears of Canadian Locomotive Co., amounting to 13½%, will be made Feb. 1, 1944 to bond holders of record Jan. 21. This is the second payment of this size within a year. On July 1, 13½% interest was paid. Both payments include amounts for current interest as well as arrears, and the coming disbursement will clear the bonds to Dec. 31, 1943.

This leaves the common stock in a position where dividends may be paid if conditions warrant. Last year $1.67 a share was earned on the common stock and the year before, $3.90. The Financial Post is informed that gross earnings will be substantially the same as last year. Excess profits taxes will be higher, applying for the full year of 1943.

The company has a contract to deliver locomotives to India, and sufficient orders are now on hand to carry over to the middle of 1945.

Turkey Lack Is Blamed On Price Breach

Breakdown of the Wartime Prices and Trade Board price ceiling regulations in regard to turkeys for the Christmas trade is alleged by wholesale produce dealers in the Toronto district. As a result, retail dealers are short of supplies for their customers and many householders will be without turkey for their Christmas dinner.

Main cause of the trouble is that many turkeys have been sold through other than the usual channels to avoid the price ceilings, to the disadvantage of the regular distributing agencies and the general consuming public.

Price Ceilings

Under the WPTB regulations, wholesalers are prohibited paying more than 36 cents for ungraded or 38 cents for grade A turkeys, bought in wholesale lots.

But producers selling to consumers direct in small lots are allowed to charge the ordinary retail ceiling price of 46 cents a pound for specials, 45 cents for grade A; 43 cents for grade B and 40 cents for grade C. The term wholesale lot is not defined clearly and this provides loophole for people wanting to evade the law.

But the whole system has been upset when large buyers, such as hotels, restaurants, and it is claimed some retailers, have gone out to the country and paid producers the retail selling price. Sales of this kind involving lots of turkeys running into the hundreds have been made, it is claimed. The result is that wholesalers abiding by the regulations and offering the ceiling price have been unable to get any sizeable quantities for the regular Christmas trade.

Various Factors

A number of factors have affected the situation.

First there is the large demand owing to the increased purchasing power of the public aggravated by meat rationing. Then there is the buying by the Department of Munitions and Supply for the armed forces which is expected to take about 1.3 million lb. off the market between Dec. 1 and Oct. 31, 1944, much of which is being bought now.

Unfair Feature

One unfair feature of the present situation is that it tends to penalize the western producer, it is claimed.

The Ontario producer, however, finds local demand exceeding his supply and, with prices over the ceiling being offered, gets ahead of the western grower. Moreover, lower freight charges from the prairies to the Pacific coast than to the eastern provinces induces many western farmers to ship their birds to British Columbia. Accordingly it is expected British Columbia may have a surplus of turkeys over the Christmas needs, while eastern Canada is short. In some quarters it is urged the Government should subsidize the movement of turkeys to the East to an extent equal to the railway freight difference. This it is said could be done at a nominal expense.

Yet another factor that tends to aggravate the situation is that under the regulations dealers holding turkeys in storage are allowed a markup of one cent a pound after Jan. 1.

Investments

Too High or Too Low?

By W. BRUCE MACKINNON

The present "line formation" or sideways movement of the stock markets in Canada and New York is the bane of stock market forecasters. That prices are temporarily in balance is obvious, and it is equally obvious that they never remain in balance for very long. The market may be preparing for new advances or for new declines, but the chart-following forecaster can seldom be sure which direction will be taken until after the move has taken place.

One fairly reliable expedient in such a situation is to look behind the averages at the performance of individual stocks. If such a survey shows that established investment issues are "sloppy," show few signs of real support, it can be fairly deduced that the weakness is fundamental, that a very cautious attitude should be taken and perhaps the less entrenched issues disposed of.

At this week's close the following securities were showing considerable strength, holding at or near their 1943 highs:

Agnew Surpass; Algoma Steel preferred; Canada Permanent Mortgage; Brewers & Distillers; B. A. Oil; Building Products; Canada Malting; Canadian Breweries; Canadian Canners common; Canadian Industrial Alcohol A; Chartered Trust & Executor; Consolidated Bakeries; Seagrams; Fanny Farmer; Ford A; Laura Secord; National Grocers; Tamblyn; Canada Vinegars; Walkers and a few others.

The following group had lost 50% or more of its 1943 gains:

Abitibi common; Algoma Steel common; C.P.R.; Cockshutt Plow; Dominion Foundries; Dominion Woollens; Hamilton Bridge; Ontario Steel Products; Power Corp. common; Shawinigan; United Steel; Western Canada Flour common; Beath A; Dominion Bridge and some others.

In the first group will be found foods, peace stocks, established dividend payers, generally speaking a fairly strong array of investment stocks.

In the second group are a number of nondividend payers, Quebec utilities, steel companies the majority of whom may face a fairly stiff readjustment after the war.

Perhaps the line of demarcation is not sufficiently clear to draw hard and fast conclusions about the market trend, but it is apparent that there has not yet been any marked withdrawal of investment buying power. The weakness has been centred in issues where the outlook is clearly in question, and this is a far healthier condition than when established stocks sell off for no apparent reason. For what it is worth, market action to this point tends to support the view that no major decline is ahead.

* * *

Christmas Markets

For the week past, bond markets have been characterized by severe inactivity, a common feature of the week before Christmas (and the week after, as well). Bond dealers have found free time to carry on one of their less publicized services to their customers—the valuation of investment portfolios for annual reports.

Canadian Locomotive 6's of 1953 moved up two points to 105 bid on the strength of the latest and final payment of interest arrears; Abitibis chalked up another point and a half, Canadian Vickers and Montreal Drydocks each moved up a point. There was a rise of one eighth in the street bid for Fifth Victory Loans, bringing the latest issue up to 99¾ bid for the first time since the campaign ended. Apart from these and a few fractional changes, the bond market took its Christmas holiday early.

Market Comment

Signals Are Lacking

In the week to the close on Dec. 21, Canadian markets lost most of the energy they had shown in the preceding two weeks, the slight strength shown being centred in the gold and industrial indexes in both Montreal and Toronto. New York industrials continued to edge slightly higher, with rails tagging somewhat reluctantly behind.

With volume off generally, little significance could be attached to the movements in either market, but the emphasis, for the time being at least, appeared to have shifted away from more speculative issues. Continuing to move between indecisive limits, chart action failed to give any signal of coming trends.

* * *

Financial World, N.Y.—From the standpoint of intermediate term investments the midst of a seasonal rally may not appear an ideal time for new purchases; but there are sound grounds for the opinion that the coming year will see well selected shares selling at materially higher than prevailing levels.

* * *

Brookmire Counsellor, N.Y.—In the absence of any convincing change in apparent market trends, . . . procedure requires no essential alteration. Any further tax selling should take the form of exchanges into other stocks possessing equivalent quality rather than of raising any additional cash. . . . Although nearby developments and market trends well require closer scrutiny to shed light on the time to do large scale buying, (especially if a sharp drop should occur), the policy of holding a substantial reserve remains advisable at present.

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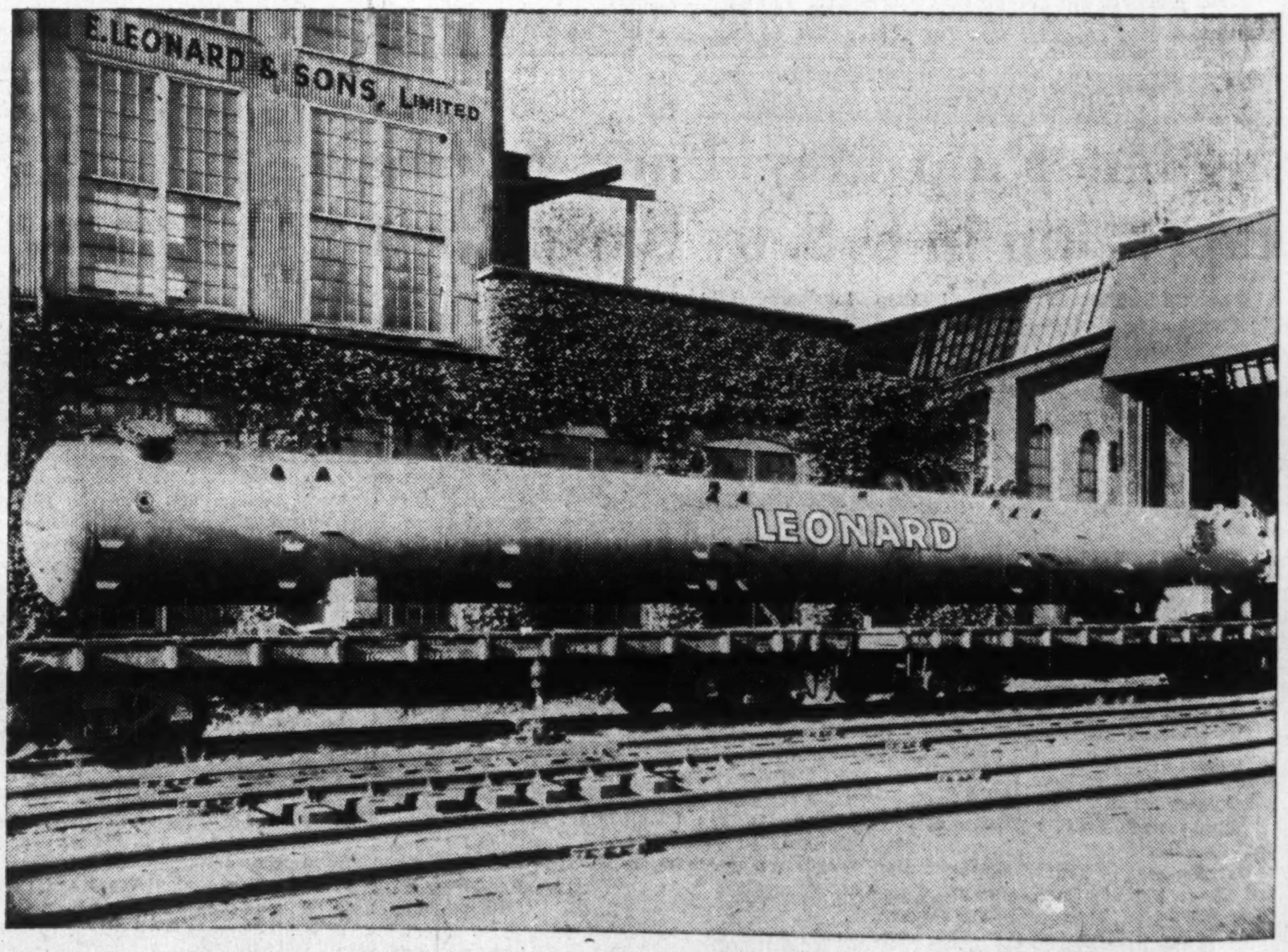

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Hold or Sell Defaulted Bonds?

Weyburn and Moose Jaw Typical of Investment Problem

By BRUCE MacKINNON

The following letter to The Financial Post from K. R. Coulter raises some of the most important issues now facing the investor in municipal bonds. Mr. Coulter criticizes the tactics of some defaulting municipalities and raises the basic issue of what the bondholder could and should do under the circumstances.

"Your Dec. 11, 1943, issue explains the city of Weyburn, Sask., after six years of default in interest payments, now is practically free of debt as a result of recently offering or paying $115 flat, for outstanding debentures including interest arrears. The performance of this Municipality raises a few pertinent questions, viz:

"1. How is it a municipality is permitted to default in interest payments, while obviously sufficient cash in accumulating to practically retire the entire indebtedness?

"2. Why should any municipality pay debts promptly as per contract, if existing legislation permits such manoeuvering to scare investors, as Weyburn apparently has done with some success?

"3. What is the position of a Weyburn debenture holder who refuses to accept the offer? Has he received any interest yet? If so, how much? If not, when is he to receive same and how much? How come there is money to pay the entire debt but not to meet interest as per contract?

"But the irony of your Dec. 11 article is the suggestion that the private debenture owner is in a less onerous position respecting income tax by accepting 50% of arrears. Do you suggest the net position of the whole transaction (not only the income tax feature) is less onerous on the investor?

"Such an investor is placed in higher income tax brackets as a result of receiving 50% of six years' interest en bloc than 100% in six annual installments as per contract. In all probability he pays much more income tax as a result of waiting six years for 50% of his money and conceding the remaining 50% of interest. He appears to be sandwiched between an unreasonable income tax act and a wily debtor.

"There is evidence that the performance of defaulting municipalities in Saskatchewan deserves the spotlight. The Weyburn incident indicates a condition that warrants some investigation."

There is some validity to the argument of Mr. Coulter regarding a few municipalities that have taken advantage of hard times to get out of debt. But investment men who have followed the Weyburn situation closely inform The Financial Post that Weyburn has done its best to live up to agreements. The city did not default until drought and depression made such a step inevitable, and its ability to pay 115 for its bonds arises largely from its own thrift and the fact that the city's bonds were depressed and were bought in gradually at lower prices for the sinking fund.

On point two of Mr. Coulter's' letter, there is no doubt that present controls, or lack of them, permit a debt dodger to escape his responsibilities with relative ease, particularly where he can get political support.

No Income Tax

Regarding the tax position, The Post is informed that its Dec. 11 news item was in error, Weyburn is bidding 115 flat for its bonds, **not** 100 and accrued interest of 15 points. That means that there is no interest included in the 15 points, and the holder who sells at that price does not have to pay income tax on any part of what he receives for his bonds, any more than he would if he sold them at par or lower.

If the city had, on the other hand, redeemed its bonds at par and the accrued interest of approximatey 30 points, the bondholders would have been taxable on the full 30 points, and, as Mr. Coulter points out, at today's high rates instead of the rates in effect when the interest was accruing. Undoubtedly this state of affairs is not equitable, but it is a fault of the tax system, not of Weyburn.

Under the present system, the holder of Weyburns gets practically the same amount of money as if the city paid in full (Except, of course, for those institutions who do not pay taxes on interest received), while Weyburn gets the advantage of the 15 point saving. It is felt that such an arrangement has the advantage of giving the city a margin for future working capital.

Hold or Sell?

Moreover, while most of the larger holders are apparently satisfied with the settlement, there is nothing to force other holders to accept it. What has happened is that a new bid has entered the market for Weyburns, at a price of 115. If any individual bondholder does not wish to sell his bonds at that price, he can hang on in the hope of a more satisfactory settlement, running the risk of eventually getting one that is less satisfactory.

But the case of Weyburn raises a fundamental problem for the holder of defaulted municipal (or corporation) bonds—should he hold on to his bonds indefinitely, waiting for the city's finances to improve, or should he take what he can get and wash his hands of the investment?

As far as Weyburn is concerned, it is clear that that city's ability to pay 115 for bonds was due partly to the municipal policy, partly to the sales which more easily tired bondholders made at lower prices. Only a few month ago, the city was bidding 85 for bonds, and those who sold at that price obviously helped to finance the final bid for 115.

The Moose Jaw Case

Typical of this situation is the present position of investors holding Moose Jaw bonds. In default since 1937, the city offered, in 1940, to purchase its bonds at 37 cents on the dollar. Since then, the city has gradually accumulated its own bonds, with the result that at the end of 1942 about half its outstanding debt had been acquired by the city's various sinking funds. In the process, the price of Moose Jaw's has risen, with the bonds now quoted at around 96 bid, 99 offered.

During its six years of default, Moose Jaw has accumulated so many of its own debentures that the net debt outstanding in the hands of the public amounted to $1.3 million at the end of last year, or approximately $62 per capita.

In analyzing the city's debentures from an investor point of view, F. H. Deacon & Co., Toronto, points out that the net debt of Calgary is $142 per capita, of Edmonton $240, of Fort Erie $202, Mimico $174 and New Toronto $131.

Boom Town

With less than half the per capita debt of any of the above towns, all of which are carrying their debt in full, Moose Jaw, according to its own Board of Trade, is something of a boom town. In a release dated Sept. 30, 1943, the board points out that the population increased an estimated 17% in two years, bank debits had increased 61½% since 1938 to the end of 1942, had risen another 27% in the first eight months of 1943 over the like 1942 period. The board pointed to a 39% gain in industrial employment, an increase in packing company payrolls of 110% since 1939, etc.

Despite this improvement, the city turned down a proposal for reorganization under which bondholders would have sacrificed half the interest accrued to date (Jan. 29, 1943), and which would have left the city with $250,000 for capital expenditure plus a working capital fund of $225,000. Reportedly, the objection to the plan was that the 4½% coupon on the new bonds would be too high, despite the fact that the Ontario municipalities mentioned in the F. H. Deacon letter went through reorganizations, took 4½% interest rates and later were able to get much lower rates through rapid retirements and refundings.

Against that background, should the Moose Jaw bondholder accept the present bid of 96 and dispose of his bonds?

Not according to the F. H. Deacon letter, which points to the following prices received by debenture holders who held on to their securities until the market had stabilized following a reorganization. For Fort Eries, the investor got 112 to 119, depending on coupon, maturity, etc.; for Mimicos, 110 to 120; for New Torontos, 115 to 125, and for Weyburns, 115.

Due allowance has to be made for the comeback powers of each individual municipality, but once this has been established it seems generally to be true that the biggest returns come to the investor who holds on to this class of bonds the longest.

VICE-PRESIDENT

A. M. Flanders, who has been elected vice-president of Bruck Silk Mills Ltd., in charge of exports.

Deal Completed For Porto Rico

Company Accepts Some $10 Millions to Cover Expropriation

From Our Own Correspondent

MONTREAL.—Porto Rico Power Co., subsidiary of International Power Co., has agreed to accept a sum in the neighborhood of $10 millions for the stocks and securities of Peurto Rico Railway, Light & Power Co. Transfer to the Peurto Rico Water Resources authority is to become effective next month.

In June, 1942, the United States Government took steps to expropriate the properties, a court order being received in July authorizing the Government to take possession.

Fought Against Order

The sum of $6¼ millions deemed "just compensation for the property by the Federal Works Administrator" was placed on deposit with court. The company appealed this decision and at the end of Nov., 1942, the court ordered full restoration of the company's property.

New proceedings were then commenced under the Second War Powers Act, 1942, but the expropriation under the new legislation was upheld by the courts.

The company then filed an appeal with the Court of Appeals in Boston, and the settlement, mentioned above, was arrived at.

Arrangements made by the company toward self-liquidation are progressing. On Dec. 10 last Porto Rico Power Co. retired all its outstanding 5% refunding mortgage bonds at 105 and accrued interest. There are also outstanding $834,000 of 6% gold debentures, $1 million 7% preferred and $3 millions of common stock. Approximately 98% of the common is owned by International Power Co.

Huron & Erie Mortgage Corp. has announced that effective Dec. 10, 1943, the interest rates on its guaranteed trust certificates and on its debentures were revised downward by a uniform ¼% on all classes of securities. This brings the rates to 2¾% for 1 and 2 years, 3% for 3 and 4 years, and 3¼% for any period of from 5 to 10 years. Former rates were 3, 3¼ and 3½% respectively.

Montreal Light Case Continues

Little Progress To Date on Valuations — Meet Again on Jan. 18

From Our Own Correspondent

MONTREAL. — Hearing of the Public Service Board of Quebec on evidence submitted by Montreal Light, Heat & Power, in connection with the board's valuation of the company's property for rate-making purposes, moves slowly.

At last week's meeting the company submitted only two items—cost of meters and their installation. Evidence was given by Francis S. Haberly, expert engineer, with a wide experience in valuation of electrical properties in the United States.

At the outset of the proceedings, Lucien Dugas, chairman of the board, made a referencce to what had occurred at the previous last sitting of the board, Dec. 3.

At the end of that sitting, said the chairman, Mr. Haberly said he would require several months to complete appraisals of inventories. John G. Ahern, K.C., counsel, protested on behalf of the consumers who were interested in having rates reduced and said there should be an emergency order. The chairman had then said because of the dilatory methods of the company he believed the law should be modified so that the board be authorized to take measures to prevent such delay. What he had in mind was not that the board should appeal to the Government as to its course, but that it should ask that the law be amended so as to permit an order being made.

Municipalities Interested

Several of the municipalities surrounding Montreal are reported preparing to ask Quebec authorities for confirmation of Hon. Wilfrid Hamel's verbal statement that they will be compensated for the amount of taxes they will lose by the nationalization of Montreal Light, Heat & Power Consol.

There are in all 47 municipalities surrounding Montreal which obtain electrical service from the company. They collect about $750,000 a year in taxes from the company and their budgets would in all probability be thrown out of balance by the loss of this revenue.

Ottawa Borrows At 1.81% Cost

Successful tender for the $215,500 Ottawa debenture issue was received from Monk, Steers & Co., an Ottawa firm. The bid, at a price of 101.93, represents a cost to the city of 1.81346%.

The issue is made up of three groups of serial debentures. The first, and principal one is for $162,000 of 2¼% 5 year serial debentures; the second, $35,500 of 2½% 10 year serial debentures; the third, $18,000 3% 15 year serial debentures. In all, seventeen tenders were submitted as follows:

Monk, Steers & Co.	101.93
Bank of Nova Scotia	101.41
Wood, Gundy; Royal Bank; Dominion Bank Nesbitt, Thomson	101.21
John Graham & Co.	101.16
R. A. Daly; Cochrane, Murray; Dyment, Anderson; Midland Securities	100.91
Dominion Securities; Imperial Bank	100.85
McTaggart., Hannaford, Birks & Gordon	100.72
Mills, Spence & Co.	100.53
Burns Bros. & Denton	100.46
Bell, Gouinlock & Co.	100.25

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WE MUST HOLD THE LINE!

On the home front the battle against inflation is now the most critical of all.

The winning of this battle will contribute much to winning the war.

It will contribute more than all else towards the solution of post-war problems.

• • •

The purpose of Price Control is to prevent inflation. Its purpose is to *protect* and *maintain* a basic standard of living.

A higher money income will not be of any advantage if, because prices are going up, our money buys less and less.

To win the battle against unemployment in the post-war period, we must first of all win the battle against inflation.

• • •

Salaries and wages are a large element, often the largest element, in the cost of everything we buy.

If the Price Ceiling breaks down, in the long run all stand to lose.

We must hold the line against inflation to assure victory in war.

We must hold the line to provide a solid foundation on which, after the war, to build a greater and a better Canada.

W. L. Mackenzie King
PRIME MINISTER OF CANADA

Ottawa, December 13, 1943

VICTORY LOAN BONDS

BELL, GOUINLOCK & CO.
LIMITED
MONTREAL TORONTC WINNIPEG

CANADIAN MUNICIPAL AND
CORPORATION SECURITIES
F. H. DEACON & CO.
Business Established 1897
Members Toronto Stock Exchange
197 BAY STREET PHONE ELGIN 3401

WHY THE NEWS IS OUT OF CANADA

—from the DAILY NEWS Dec. 15 1943

A lady in Montreal, Que., Canada, writes us in part as follows:

Montreal Request

"This is to tell you how we miss the Daily News. Please cannot you let it continue to come to Montreal? The editorial articles are the finest ever, and I like also Mr. Danton Walker's columns, and Miss Hopper's, and the other articles and pictures which do not appear in any other paper received or published here."

This letter is typical of many now reaching this office from Canada. We are grateful to the writers of all of them, and only wish we could show our gratitude by restoring shipments of The News, daily and Sunday, to Canada.

We just can't do it, though. Like the rest of the American press, we are suffering from shortage of newsprint, the paper on which newspapers are printed. This shortage is caused by the war — lack of manpower in the timber country mainly, plus some bureaucratic bungling here and there — and it looks as if it will be chronic until the German war, at least, is over.

As a result, the newspapers are having to make do as best they can with what newsprint they can get. The News is cooperating to the best of its ability in the rationing of newsprint.

• • • • •

Tailoring Operations

In tailoring circulation to fit our newsprint quotas, we have naturally done the first cutting on the circulation farthest away from New York. News is hardly fresh after it has travelled from the New York metropolitan area to areas a long way from New York; and we feel we owe it to the home territory to keep it as well supplied with papers as we can.

When we cut off our Canada circulation recently, we dropped approximately 100,000 from our total Sunday News circulation and about 10,000 from the daily circulation. For some time prior to that, price of the Sunday News had been 10c a copy in Canada. That helped some, but not much, in holding down our Canadian circulation below the normal demand for the paper.

Sometime ago, too, we hoisted the price of the Sunday News to 10c a copy in 34 states of the United States—the predate area, as it is called—with the sole object of keeping away a lot of buyers whom in normal times we would be more than glad to accommodate.

These and other circulation-tailoring operations should, if all goes well, add up to a cut of 300,000 copies of the Sunday News below the number we could easily sell in areas distant from New York. That is a reduction from 1,300,000 to 1,000,000 in the predate area.

• • • • •

Streamlined Advertising

We have also managed to reduce our consumption of newsprint to a considerable degree on our home grounds—the New York metropolitan area and nearby states.

Various popular editorial features have been either eliminated entirely or cut to the bone, much to our regret and to that of numerous readers, who keep writing us about it in all tones from sorrowful resignation to blind fury.

Advertising has been drastically streamlined. We have felt constrained to cut some advertisers' customary space, and simply to decline to carry some other advertising.

At the present time, we are running about 200,000 lines of advertising per month under normal, a total of 2,400,000 lines a year. A page contains 1,000 lines.

• • • • •

When the Lights Go on Again . . .

There is no guarantee that the newsprint situation has hit bedrock as yet. It may get worse. In that case we shall have to take further measures to curtail our outlying circulation, and to shrink advertising and perhaps editorial space still more.

We may even have to cut down circulation in and around New York. When you haven't got it, you haven't got it—a saying which applies to newsprint as well as to any other commodity.

And that is the only answer we can give at this time to the lady in Montreal who misses her News, and to a growing number of persons in the same Newsless boat with her.

When things loosen up again and there is plenty of newsprint to go around, we hope to be able to sell papers to all who want to buy them, anywhere. And—though this is by no means a promise, because nobody knows what newsprint and production costs will be after the war—we hope sometime to be able to sell the Sunday News again for 5c a copy all over the United States and Canada.

THE NEWS
NEW YORK'S PICTURE NEWSPAPER
220 EAST 42nd STREET, NEW YORK CITY

...save paper—cut more pulpwood!

NEWS BUILDING

The Editorial Page . .

We Are Lucky

At this time of year, when the vast majority of us are comfortable and safe, it would be well to compare our lot with that of others. We have some rationing, shortages and many restrictions. But the average Canadian has been pretty lucky. Here, we are, on the eve of the fifth wartime Christmas, and practically all of us have a sound roof over our heads, our children are safe and happy, getting their education and their health looked after, and we know definitely where our next meal and many more are coming from.

How different had we been European! How different had we lived in Britain! Some of us may complain about the difficulty in securing beverages, of the shortage of turkey, of the lack of icing on our Christmas cake or of excessive heat in our living rooms.

The very nature of our complaints shows our blessedness.

Letters to the Editor

There is a mistaken impression in some quarters that a newspaper is morally obliged to print every open letter addressed to the editor. The newspaper that attempted to observe such a practice would soon find itself out of readers, and out of business. Recently the Ottawa Journal summed up the case very well as follows:

> "Our 'Letters to the Editor' column is not a public forum in the sense that it can be used freely by cranks, propagandists, politicians and bigots. It is a public platform where the reader has privileges, but not rights, and the editors of the newspaper feel their responsibility goes much farther than the elimination of libel. Thus we do not print letters attacking any church or any race, letters indulging in offensive personalities, or letters aimed primarily at self-glorification.
>
> "Within these restrictions there is abundant scope for literary activity, there is scope for the intelligent discussion of public affairs."

That outlines a sound policy for any newspaper.

But to it should be added a rigid ban on letters making wild and inaccurate charges. In the last Victory Loan campaign, for instance, there were frequent cases of this sort of thing, some letter writers asserting the old lie that loan salesmen were paid exorbitant salaries.

No matter how fast corrections were printed a great deal of harm was done. Had the editors responsible made the most cursory check they could have found the complete fallacy of the charges made.

With the task of editing goes great responsibility. Publication of untruths, malicious and venomous rumors, is not proper exercise of that responsibility.

Time For the Blueprints

The Heavy Industries Federation for Postwar Reconstruction represents an assertion by its member industries of their determination to carry their full share of the responsibility for planning designed to provide a high level of postwar employment. As such it will have hearty public support from those concerned with the welfare of this country and the mass of its people.

A recent statement by the Federation indicates that it is now through the formative stage; that it is now getting down to blueprinting; to making actual, concrete plans and drawing up the precise means of implementing them promptly.

After all, at this stage, nothing less than that is going to be productive of the results desired.

Good Sermon on Stabilization

Canada's Deputy Minister of Finance, Dr. W. C. Clark, did an excellent job for Canada and for the postwar world speaking at the Reconstruction Institute meeting at New York University recently.

He gave a very blunt and simple statement of why the postwar world must, for safety and economic health, have something like a White, Keynes or Canadian plan for world monetary stabilization.

There are four kinds of objectors to any such a scheme and the objectors are vociferous. Public education on the reasons for is, therefore, particularly important.

There are the objectors who obviously don't understand any one of the plans or the elementary facts about international currency operations.

Other objectors are worried about creating a super-state. Their theory is that the world can never hope to have anything but the rule of tooth and claw between nations. This leads inevitably to the conclusion that the corner policeman should be disposed of.

A third group of objectors see the loss of some of the traditional profits which they normally make by astute trading in foreign exchange because of currency stabilization.

And fourth are the objectors of a variety this writer met recently in the United States: "I guess the idea's all right and I imagine something like it's got to come, but I'm damned if I'll admit it when it's put up by one of that——Roosevelt gang."

By this time, it is no secret that Dr. Clark had a good many fingers in the cooking of the Canadian plan — a compromise between the British and American plans.

Canada has two particular reasons for interest in having the world adopt some stabilization scheme—and almost any scheme will be better than none.

First, is our dependence—enormous in relation to our population—on external trade. Second, is the fact that we normally depend on a three way trade and exchange shuffle between the United States of which we are the best customer, and Great Britain who is our best customer.

Said Dr. Clark:

> "In order that we may be able to go on being your best customer and pay you in your own currency, which is what your exporters want, some means must be found of converting our surplus sterling into American dollars. That, after all, is the main purpose of an international monetary system—to ensure that the proceeds of a country's exports to another country can be spent freely for the purchase of goods in any part of the world."

Closer Empire Connections

Practically every Canadian will agree with the contention of Lord Bennett, as expressed in a recent London address, that the revolutionary changes that have taken place in the world of transportation and communications in the last few years, call for consideration of present Empire-governing machinery. Up to the present official contact between Britain and the Dominions has largely depended on periodical Empire conferences and occasional visits of high officials.

With Ottawa now less than 24 hours from London and a corresponding reduction in travelling time with the other dominions and colonies, Lord Bennett argues that the old procedure is not flexible nor speedy enough to cope with present problems.

Recently The Post asked a group of representative Canadians whether they favored the "nomination of a representative body to formulate British Commonwealth policies on matters of common interest." While the majority replied that more frequent consultation between members of the Empire was not only desirable but now quite feasible, several believed that existing machinery, namely the parliaments of the various countries and parliamentary committees, could and should handle that work.

It is a fact, though not always recognized, that with present means of transportation and communications, the calling together of a group of Empire statesmen, in London or elsewhere, involves less physical difficulty than that of a provincial caucus 50 years ago. And if we go back a little over a century, we would find that some members of a county council lost more time journeying to their little meetings than would their grandsons today in flying to London—or to Ottawa, Pretoria, Wellington, Canberra, since the Commonwealth has more than one capital.

One of Our Great Victories

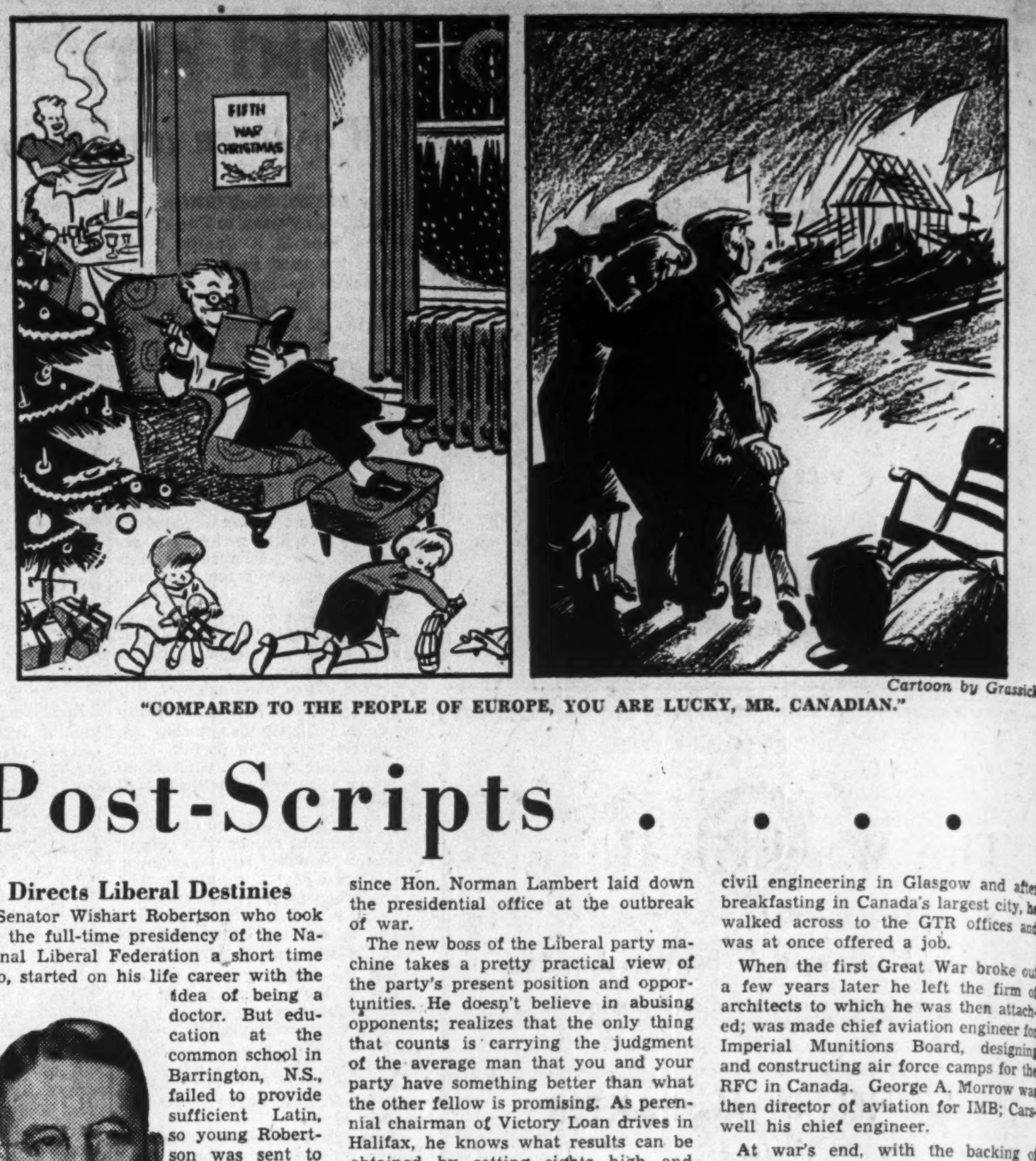
One of the most outstanding achievements of the Canadian people—or of any democratic people—was revealed last week in The Financial Post.

It is the record of the last victory loan, in which 3,008,000 individual subscriptions accounted for purchases of about $604 millions of victory bonds. That a quarter of the men, women and children in this country should have become owners of victory bonds—an average of about $200 each—is a truly remarkable performance.

The over-all result of the loan was excellent, but the figures to focus on are those showing the results of the "general canvass" among just the average men and women of Canada.

It bears witness to the magnificent victory loan sales organizations which has been brought together and which now has the experience of five loans behind it.

But this demonstration of readiness to serve the nation's wartime needs, to sacrifice today for benefits tomorrow, to put money into Canada, to "bet" on our nation's continued economic health, and the continued sanctity of contract, is as fine as part of the Canadian war effort as there is.



Cartoon by Grassick

"COMPARED TO THE PEOPLE OF EUROPE, YOU ARE LUCKY, MR. CANADIAN."

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Predicts Substantial Changes in Merchandising

Substantial changes in merchandising in the postwar era were forecast by Lee. H. Bristol in his recent address in McGill University's "Canada and the Markets of Tomorrow" series of lectures. Mr. Bristol is vice-president of Bristol-Myers Co., and an outstanding American advertising authority. A summary of the main changes forecast by Mr. Bristol follows:

Mr. Bristol believes that the trend towards urbanization will continue and with much greater speed and range of air and express, existing large markets will continue to cater to greater blocks of the population. He sees the trend towards larger super markets continuing. In the 1930-41 period "actually the number of chain stores (in Canada) decreased by 470 but their sales increased by $145 millions."

Because of this expected increase in self-service selling, Mr. Bristol points out that brands, attractive packages, etc., will play a more important part as the final buying decision is left to the individual consumer. He looks for more attractive packages with the quick disappearance of those obviously make shift war containers but the retention of those, especially in the line of protective coverings, which have proved useful. He foresees growing competition in the container business between manufacturers of plastics, metals, wood, glass and synthetic fibres. Not only will brand and attractiveness of the package play a part in postwar selection, but Mr. Bristol also maintains that there will be a utility preference as well, consumers in some lines favoring a container that can be used after the original contents have been consumed. An example is the wide mouthed food jar, suitable for use in refrigerators, etc.

In regard to information on the packages and in general advertising, Mr. Bristol sees "the present trend toward more useful information continuing." The sanity of the mass consumer group of buyers will undoubtedly assert itself in "maintaining reasonable but not extreme informative labelling." In this he believes that development in the United States is more advanced than in Canada and he suggests that Canadians can profit by studying the situation south of the line as a clue to the future trend here.

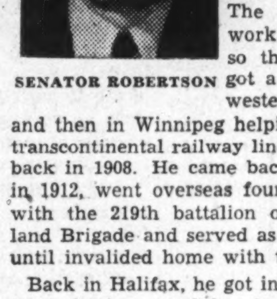
In postwar selling he believes that more tact will be exercised. "I will get nowhere and deservedly so, unless and until you are so conditioned to be receptive to me and to my wares or my ideas." There must be "decent regard to the rights of the reader or listener," he says.

As for limits on sales or production Mr. Bristol points out that the trend before the war was toward gradual absorption as necessities or semi-necessities of what at one time were regarded as luxury goods—telephones, automobiles, radios for example. This trend, as the standard of living improves he sees continuing indefinitely.

Post-Scripts . . . .

Directs Liberal Destinies

Senator Wishart Robertson who took on the full-time presidency of the National Liberal Federation a short time ago, started on his life career with the idea of being a doctor. But education at the common school in Barrington, N.S., failed to provide sufficient Latin, so young Robertson was sent to Brooklyn, N.Y., under charge of a doctor uncle, in order to supply the deficiency. The idea didn't work out too well so the Maritimer got a job first in western Ontario and then in Winnipeg helping construct transcontinental railway lines. That was back in 1908. He came back to Halifax in 1912, went overseas four years later with the 219th battalion of the Highland Brigade and served as a lieutenant until invalided home with trench fever.



SENATOR ROBERTSON

Back in Halifax, he got into the motor truck business and boasts he has sold Reo trucks for more than 30 years. One of his big customers was the lumber industry. When sales declined in the depression years he got very interested in the lumber industry's problems. He has represented the eastern industry at various times especially to get standard grades established for spruce lumber in eastern Canada, as well as other plans for increasing the utilization and profit which the lumberman can get out of this great natural resource. His work in this direction convinces him that Canada could very greatly increase her national income and even out its distribution, if greater attention were paid to better utilization of our resources.

When his native Shelburne county was looking for a candidate in the provincial election of 1928, it wasn't hard to get Wishart Robertson interested. His grandfather had represented Shelburne in the provincial house from 1855 to 1878 and was Commissioner of Mines for 10 years. His father entered politics at 26, being elected to the House of Commons in 1878. Later he was in the N. S. Legislature and at the time of his death in 1902 was speaker.

Wishart Robertson represented Shelburne county for four years at Halifax until the provincial redistribution of 1932 wiped out the riding. Then he returned to his motor business until summoned to the Senate in February of this year. Now he is dusting off the Liberal party machine which had lain dormant since Hon. Norman Lambert laid down the presidential office at the outbreak of war.

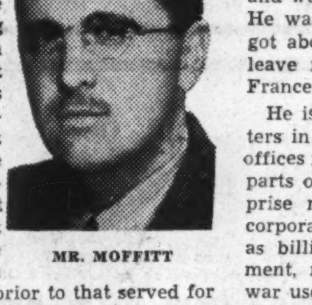
The new boss of the Liberal party machine takes a pretty practical view of the party's present position and opportunities. He doesn't believe in abusing opponents; realizes that the only thing that counts is carrying the judgment of the average man that you and your party have something better than what the other fellow is promising. As perennial chairman of Victory Loan drives in Halifax, he knows what results can be obtained by setting sights high and driving your sales force until they reach their objective.

The Robertsons have two boys; one of whom is now serving overseas.

* * *

Wide Experience

Frank Storey Moffitt, who on Dec. 1, became an assistant general manager of the Royal Bank of Canada, still in his early forties, brings to his new office a broad experience in various branches of the bank's activities.



MR. MOFFITT

Supervisor of investments for the Royal since 1941, following several years in the investment department, he is regarded as a specialist in that field. But before joining the investment department he was assistant manager of the Winnipeg branch of the Royal and prior to that served for several years in foreign exchange departments at Vancouver, New York and Montreal, being appointed manager of the foreign exchange department at the latter office in 1929. Accordingly, he has an intimate knowledge of different phases of banking which will be invaluable to him in his new position.

A native of Westmount, Que., Moffitt joined the Royal staff in 1916 as a junior. He was sent from Westmount branch to Winnipeg, where, in 1918, the lure of the Air Force, then the Royal Flying Corps of the Army was too strong and he joined up. But his career as an air cadet was relatively short and on demobilization he returned to the bank. In March, 1921, he was sent to head office and was on the inspection staff there for a while. In 1922 the foreign exchange operations of the bank attracted him and occupied his attention for the next ten years.

When the steady increase in the employment of the bank's funds in investments made necessary the creation of the position of Supervisor of Investments in 1941 he was the first to hold the post.

Outside of his banking activities Moffitt is an active member of the executive of the Canadian Club of Montreal. He has also recently become a country squire, having built himself a home in the Laurentians where he gardens and swims in the summer and skis in the winter. He enjoys a game of golf and has a score in the low eighties.

* * *

No. 1 Storekeeper

It is now generally taken for granted at Ottawa that "Jock" Carswell will be named president and general manager of War Assets Corporation, Ltd. — the new super-crown company which is to hold, distribute and ultimately dispose of government-owned plants, inventories, stockpiles, etc., which are no longer needed in the war effort. Such an appointment will be a distinct gain to Montreal; a loss to Canadian interests in Washington.

J. B. Carswell has been Number One man for the Department of Munitions and Supply in the United States since the department was formed; had represented Canada there even before there was a department by that name. At first he had offices in New York as Canadian liaison officer for the late Arthur Purvis. Later he set up the Washington branch of DMS and became virtually Munitions Minister Howe's U. S. attorney, so far as departmental matters were concerned. From his 8½-acre farm in nearby Virginia, he has held open house for travellers from Canada and for war-weary officials and dollar-a-year men. The "farm" has been his hobby and recreation—a good antidote to three hectic years of integrating the war programs of the two countries and channelling the vast purchases of war goods and supplies which Canada has had to make in the U. S. to keep its war machine rolling.

No one who has heard Carswell speak, needs to be told that he is a Scotsman. His burr is almost as rough as when he stepped off a boat in Montreal about 1910 in search of work. He had taken civil engineering in Glasgow and after breakfasting in Canada's largest city, he walked across to the GTR offices and was at once offered a job.

When the first Great War broke out a few years later he left the firm of architects to which he was then attached; was made chief aviation engineer for Imperial Munitions Board, designing and constructing air force camps for the RFC in Canada. George A. Morrow was then director of aviation for IMB; Carswell his chief engineer.

At war's end, with the backing of Morrow, Frank Wood, Sir Frank Baillie and others, Carswell set up his own firm (Carswell Construction Co.) to do contracting and consulting engineering work. He was president of the Canadian Construction Association in 1922. Handiwork of his firm can still be seen in Canada Steamship Line docks, office buildings, steel mills and institutional buildings in various parts of Canada and in the United States. In 1928 Carswell resigned and took charge of Burlington Steel as managing director. The same group of men were associated in this undertaking, which, under J. B. Carswell launched a considerable expansion. Ten years later Carswell resigned and went to live in the South of France. He was there when war broke out and got aboard one of the last freighters to leave for New York, after the fall of France.

He is expected to make his headquarters in Montreal and set up appropriate offices for the new corporation in various parts of Canada. Eventually this enterprise may become one of the largest corporate holding operations in Canada as billions of dollars of plants, equipment, material, etc., are released from war use.

* * *

New Books

New Zealand

NEW ZEALAND by Walter Nash. Published in Canada by Collins. Price $3.75.

Now New Zealand Minister to Washington, Walter Nash has been, since 1919 a leading figure in the Labor party and author of much of that Dominion's social and economic legislation.

In this volume the author tells something about the Pacific Dominion, sketches the much-discussed social legislation, devotes most space to New Zealand during the war and after.

The reader seeking analysis of how wonderful New Zealand's legislative experiments really prove in practice won't find it here.

* * *

Down North

DOWN NORTH by Rt. Hon. Malcolm MacDonald. Published by Oxford University Press. Price $3.

The British High Commissioner in Canada reports on his two Arctic flights, one up the Alaska highway country to Aklavik, a second up through Yellowknife, and Radium to Coppermine. A gracious travel book in the best Oxford tradition. Brief historical sketches add interest. It's an absorbing book for the non-Arctic traveller; a rejuvenator of memories for the rest. The author is likely the only British High Commissioner who has done house-painting north of the 60th parallel.

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New York 18: 522 Fifth Ave.
Chicago 6: 309 West Jackson Blvd.
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Other People's Views . . . .

The Canadian Editorial of the Week

The Real CCF

Montreal Gazette

Periodically, recognized CCF leaders get carried away with the exuberance of their own verbosity and blurt out what is really in the back of their minds when they talk of converting the national economy into a "co-operative commonwealth." In such instances neither the objectives revealed nor the methods implied sound at all like the restrained propositions advanced by more cautious advocates.

One of these more outspoken apostles of neo-socialism is Mr. Harold Winch, CCF leader in B.C., who stands flatly committed to complete, militant and revolutionary socialism and has warned that the forces of the police and the military will be promptly used against any who defy the CCF program when enacted. Add to Mr. Winch the name of Mr. David Lewis, national secretary of the CCF and defeated candidate in Cartier by-election.

In a speech here (Montreal) last week, Mr. Lewis upheld the "legality" of the recent police and firemen's strike here, gave the strikers "credit" for their "courage and unity," and declared the strike was "an omen of what the people of Canada will do if justice is not given them."

However legal the strike may have been within the technical letter of the law, it outraged all the laws of morality, good sense and the responsibility of trusted community servants. It took no courage to precipitate the walkout, but merely blunted perception of the plain truth that this desertion of duty violated the men's solemn oaths of fidelity to their jobs and threatened chaos and anarchy in Canada's largest city.

As Others See Us . .

Future of Canol

Brantford Expositor

Looking over the situation, however, The Financial Post feels that, barring too much "politics" at Washington, it is unlikely that Canol will be given up by the U. S. Army. Even if it is, says The Post, it is probable that Imperial Oil will be prepared to finish the job itself. In either case, therefore, it would seem probable that Canol is destined to continue as a substantial development, to the benefit of all the oil consumers concerned—Canada included.

* * *

Tax Form Headache

Brantford Expositor

For brain-racking weeks the experts at Income Tax headquarters in Ottawa have toiled to turn out a simplified income tax form for users earning more than $3,000 a year. But it now appears that it has all been labor lost. It seems that, expert though they be, their inventiveness and ingenuity fail when confronted with such a problem. So, the report has it, they have given up trying.

The Financial Post, Toronto, bemoans this disappointing outcome, which, it says, "leaves the clear implication that in official minds the present monstrous TI form is the best that can be contrived, and that Canadians are going to be forced to go on with this creaky tax machinery, with tribulations for themselves and, out of their confusion and blunderings, adding enormously to the time and cost of checking by income tax inspectors."

The time has come, The Post feels, for the income tax authorities to take stock of their organization. The Toronto journal questions whether the machinery of the income tax administration has expanded sufficiently to meet the tremendous new task involved by the big increase in income taxpayers.

Whatever the answer, the harried taxpayers are not at all enamored of the prospect of any repetition of the struggle they had to go through last tax-time.

* * *

What The Papers Are Saying . . . .

Farm Cottages

Farm & Ranch Review

I have frequently directed attention to the inferior housing on the average prairie farm. It is a subject which should certainly be studied in connection with postwar plans. In Great Britain assistance is being given to provide 3,000 farm cottages of simple attractive design and sturdy construction between now and the end of the war.

There is no reason why some such plans could not be worked out on the prairies where the need is urgent from a welfare point of view. Cottages designed for married, casual agricultural workers, each with a small plot of land, could also be erected near our villages. A supply of such skilled labor is badly needed in every rural locality.

* * *

Why Exempt These?

Windsor Star

One of the strange facts of this war is that so many young men in their twenties and thirties are not in uniform, yet are doing nothing else but travel back and forth across Canada preaching discontent, strikes in war industries and general unrest. These young men are not helping the war effort, because their work is destined to impede production.

The real purpose of these young men is to try and consolidate themselves in political power while other young men are out of Canada, serving overseas in the uniforms of the fighting forces, offering their lives that Canada may be saved from invasion by the Hun and the Jap.

Soldiers over there, and sailors and airmen, too, have been asking pointed questions. They cannot understand the situation that permits young chaps of military age to be stumping the Dominion politically, while the fighting men are going forth to seek the enemy and destroy him.

It is a strange condition that allows a country to be torn down from within while its fighting men are away to protect their homeland from being torn down from without. The fighting men are going to be demanding an explanation and it will have to be good.

* * *

The Path is Clear

Vancouver Sun

In Toronto, Hon. C. D. Howe made a very sensible statement of how to preserve the spirit of the last four years—the spirit that has brought the end of the war within sight and should now be applied to win a lasting peace economy for the people. Mr. Howe reduced his ideals to nine paragraphs, most of them based on world trade and the development of Canada's unexcelled natural resources.

For those of us who believe that individual incentive has still something of irreplaceable value to contribute to the common good, the path is clear. We should be actively encouraging in ourselves and others a still broader conception of our community responsibilities, an increased readiness to co-operate for better conditions and standards and an added willingness to progressively tie those who work with us still more closely into the rewards and responsibilities of conducting our undertakings.

Sayings of the Week

"This is a talking war. Too many generals talk too much."—*Gen. John J. Pershing.*

* * *

"Very heavy fighting lies ahead, but we are nearer the war's end than the war's beginning." — *Marshal Jan. C. Smuts, Prime Minister of South Africa.*

* * *

"Some of the merchant vessels in this war are better armed than some of the fighting ships of the last war."—*Rear Admiral W. H. P. Blandy, Chief of U. S. Navy Ordnance.*

* * *

"I see another year of fighting ahead. It is as foolhardy to assume peace now as it was to laugh during the so-called 'phony' war."—*Sir Samuel Hoare, British Ambassador to Spain.*

* * *

"Every ton of bombs dropped on German industries will save the lives of ten United Nations soldiers in the near future when the invasion comes."—*Sir Arthur T. Harris, British Air Minister.*

* * *

Did You See . . . . .

A new patient at a sanitarium for the mildly deranged complained:

"What's the idea of sticking me in a room with that crazy guy?"

"Well, I'll tell you" said the superintendent placatingly, "It's the only room we have available just now. Is your roommate really troublesome?"

"Why the guy's nuts! He keeps looking around and saying, 'No lions, no tigers, no elephants' — and all the time the room's full of em!"

New Buyers Bring Fur Boom

Winnipeg Auction Prices Up 50 to 200%

From Our Own Correspondent

WINNIPEG.—A new war-created purchasing group has created a demand for furs that has sent the price of pelts to new high marks and has helped fill Canada's foreign exchange reservoir.

Manufacturers' buyers at fur auction sales here, where pelts from ranches and trappers all over the west and northwest change hands, have bid prices from 50 to 200% above those of last year.

Here is an example of how prices have skyrocketed, based on representative figures from the most recent fur auction in Winnipeg (Dominion Fur Auction Sales):

Cross Fox bids up 50% with a top of $53 for best pelts.

Ermine advanced 70% to a top of $3.28.

Silver Fox up fully 100% to a $140 top.

Mink up 200% to a $27 top.

A swelling market and a depletion of surplus stocks is responsible for these sharp advances in the product of Canada's oldest industry. And the United States, which takes by far the greatest part of Canada's pelt production, is responsible for most of it.

The fact is, according to Winnipeg fur men, the "fur coat trade" has broadened out. There was a time when that phrase meant a high income group. The war has changed that. With war taxes taking large slices out of higher incomes, the luxury purchasing power has dwindled.

Replacing it is a war worker buying group, a part of whose surplus spending is going into investment in furs.

Although export figures for the current year are not available yet—the fur season opens Nov. 1—it is certain that this year's sales will contribute a sizeable sum to the Dominion's foreign exchange.

Close to 85% of the fur catch is exported each year and most of it goes across the border. A small amount is shipped to South America, the only other foreign market available since the war began.

In 1941-42, the last year for which there are complete figures, the value of Canada's furs rose to a record high of $24.9 millions. And although production may not be any larger this year, the higher prices will probably bring the total value well up.

U. S. Price Ceilings

Only major worry now for Canadian and American fur men is an unsettled matter of price ceilings in the U. S. Unlike Canada, where there is no ceiling on pelts, the Office of Price Administration in Washington included raw furs in the prices "roll-back." This would place them at the level of March, 1942, considerably below the present market.

The O.P.A. has promised, according to information here, to amend the regulations as they apply to furs. So far nothing has been done about it. In the meantime the U. S. ceiling, so far as pelts are concerned, has been virtually inoperative; but buyers are afraid the price might suddenly be fixed at a level that would mean a loss on pelts already purchased.

This apprehension, however, has not had a depressing effect on Winnipeg's market. In the Winnipeg auction rooms the bidding has been unusually vigorous. Better quality skins have been in excellent demand.

Platina Fox, for instance, brought from $77 to $140 a pelt at the last sale. These platinas are the aristocrats of the silver fox, the result of careful mutation of the silver breed. Before the war the first of the "Platinum blonds" brought well over $10,000 when they appeared in the show windows. Now they come in from the ranches at about 200 a season.

Mink Production Down

A drop in mink production has been responsible in part for the 200% boost in value of these pelts.

Early in 1942 the price of mink opened low and ranchers, already harassed by labor shortages, cut down their stock. As a result, this year's production of pelts for the whole Dominion is estimated at 45% less than last year. But the higher prices this year should stimulate production in the coming season.

The general demand has had the effect of bringing prices up all along the line. No change in fashionable demand has caused the neglect of other pelts.

Very few pelts find a place in war production. Some timber wolf and coyote pieces go into U. S. Arctic uniforms; but it is not enough to influence demand very greatly.

Wolf furs have shared in the general increase, however, rising about 30% on the latest bidding. Best wolf now brings up to $22 and timber wolf up to $36 for average sizes.

Others swept up in the rise are otter, up 75% to a $35 top, skunk up 55% to $5.75 top and squirrel up 100% to 69 cents.

The business of marketing furs by auction is something like the selling of an art collection. The pieces are sent in by trappers and rangers in Ontario, the western provinces and northwest territories either direct or through an agent to the auction rooms. There they are sorted according to grade and then catalogued. Buyers study the catalogues in advance, decide on the lots that interest them.

Then in an atmosphere reminiscent of a grain exchange pit, the buyers bid for the items as they are put up for auction.

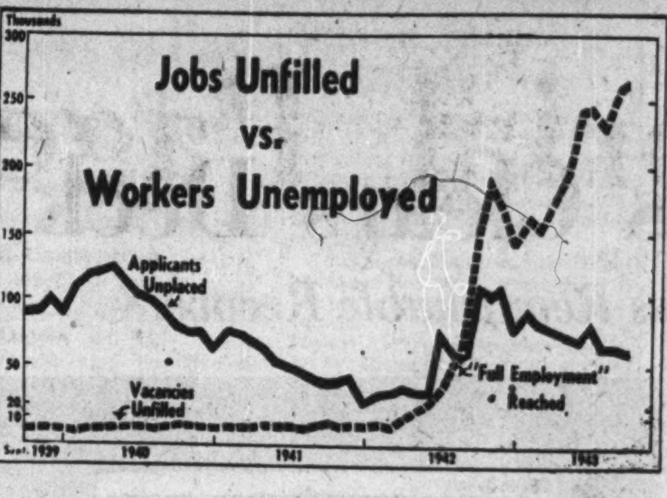
There is a brisk competition these days among the various auction sales firms. Regional broadcasts and newspapers carrying their bids for ranchers' and trappers' stocks.

The Week in Business

	Nov.	Oct.	Sept.	Aug.	Year Ago
■Financial Post Production Index	264.2	262.5	258.4	255.5	228.3
National Income, D.B.S. (c)	....	....	§745	§732	646
Dom. war expend. (million $)	271.0	354.5	247.2	436.3	201.2
Dom. total revenue (do)	215.1	248.9	215.9	208.7	182.1
Dom. total expend. (do)	501.0	440.1	389.8	470.3	327.2
Dept. store sales index no.	...	155.3	156.8	148.4	152.9
Retail sales index no.	...	157.1	158.5	162.1	152.2
Wholesale sales index no.	...	175.0	184.8	171.6	171.4
Country store (% change pr. yr.)	....	+5.3	+5.7	+7.7	+16.7
Divd. payment index♦	124.6	123.9	124.0	124.2	123.1
■Bank deposits (1935-39=100)	176.3	175.3	170.7	169.9	154.7
Cash and cheque pay. index	....	187.0	180.2	161.3	161.3
Bank debits (1935-39=100)	...	155.0	171.1	157.1	135.7
Money supply (c)	....	4,890	4,760	4,735	4,120
NEWSPAPER % OF CAPACITY—					
Production ratio	69.2	70.1	70.7	70.1	70.6
Shipment ratio	70.4	70.7	68.7	70.4	71.7
RAILWAY FREIGHT LOADINGS—					
■Tons (D.B.S. index)	164.5	134.7	147.7	188.6	142.0
■Cars (D.B.S. index)	138.8	121.6	122.9	138.7	126.5
COST OF LIVING—					
D.B.S. index	119.4	119.3	119.4	119.2	118.6
EMPLOYMENT INDEX No. D.B.S.—					
All Industries	....	187.6	186.2	185.9	181.3
Manufacturing	....	231.3	229.9	227.7	218.3
Payrolls June 1/41=100) (b)	....	150.7	148.7	147.7	137.8
Payrolls (1937=100) (a)	....	221	217	215	223

RAILWAYS—	1943	1942	1943 Jan. 1 to date	1942 Jan. 1 to date	Change %
■Carloadings (week Dec. 11,	71,432	66,724	3,322,983	3,261,338	+1.9
■C.P.R. gross (week Dec. 14) $	6,040,000	5,478,000	282,046,000	243,250,000	+15.9
■C.N.R. gross rev. .. (Nov.) $	37,001,000	31,886,000	401,535,000	338,715,000	+18.5
■C.N.R. net rev. .... (Nov.) $	7,226,000	6,602,000	88,583,000	78,266,000	+13.1
C.P.R. gross rev. .. (Oct.) $	26,344,166	22,799,232	242,363,471	209,925,848	+15.4
C.P.R. net rev. .. (Oct.) $	5,841,417	5,718,182	38,603,278	37,723,923	+2.3
IRON AND STEEL—(October)—					
Pig iron production (tons)	146,794	175,424	1,478,760	1,640,055	—9.8
Steel production ... (tons)	271,976	271,127	2,509,712	2,580,715	—2.7
CONSTRUCTION—					
Contracts awarded .. (Nov.) $	14,146,500	22,085,500	194,114,600	271,985,200	—28.7
Building permits .. (Oct.) $	6,605,794	8,432,851	66,980,812	89,654,219	—25.3
Cement prod., bbls. (Sept.)	877,339	1,092,781	5,765,665	7,031,092	—18.0
AGRICULTURE—					
Flour prod., bbls. .. (Oct.)	2,118,409	1,851,062	20,125,432	16,724,160	+20.3
Cattle sales▲ .... (Nov.)	160,081	150,695	1,093,687	1,063,884	+2.8
Hog sales▲ .... (Nov)	815,353	612,310	6,106,042	5,505,879	+10.9
SEA FISHERIES—‡					
Catch, cwts. ...... (July)	1,659,279	1,387,400	5,344,855	5,804,685	—7.9
Landed value .... (July)	6,570,634	5,097,200	21,387,627	15,550,040	+37.6
NEWSPRINT—					
Production, tons ... (Nov.)	256,336	251,147	2,733,104	2,932,911	—6.7
Exports, tons ..... (Nov.)	243,969	238,268	2,592,084	2,779,371	—6.7
MINING AND OILS—					
Coal prod., tons ..... (Oct.)	1,547,234	1,574,871	14,731,904	15,478,943	—4.8
■Gold rec. (fine oz.) (Nov.)	263,668	317,013	3,338,205	4,245,028	—21.3
Petroleum prod., brl. (Sep.)	811,864	826,866	7,521,969	7,806,046	—3.6
ELECTRICAL POWER OUTPUT—October)—					
Total monthly 1,000 kw.h.'s	3,458,568	3,174,419	33,357,403	30,757,950	+8.4
FOREIGN TRADE—◆					
Imports .... (Oct.)	162,920,856	140,192,890	1,439,893,992	1,380,468,301	+4.3
Exports .... (Oct.)	262,874,451	212,967,339	2,399,976,331	1,905,264,332	+25.9
OTHER INDUSTRIAL FACTORS—					
Shoes, prod. pr. ... (Oct.)	2,885,816	2,992,325	28,651,666	27,664,545	+3.2
■Cotton consump. lb. (Nov.)	14,253,640	16,388,439	166,569,224	181,650,533	—8.3
Cigarette cons. No.† (Oct.)	969,456	1,010,451	9,174,338	8,232,279	+11.4
FINANCE—					
■Bank debits† ...... (Nov.) $	5,913,477	4,966,558	48,946,288	41,331,641	+18.4
■Bond sales† .... (Nov.) $	1,425,075	1,082,186	6,305,029	4,198,120	+50.1
Life insurance sales (Oct.) $	53,919,000	57,795,000	480,922,000	437,204,000	+10.0

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. †000 omitted.
▲Total at yards and plants. ■New items for week.
♦Supplied by Nesbitt, Thomson & Co. (c) 000,000's omitted. ◆Gold excluded.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.



In theory at least full employment is reached in a country when the number of jobs to be filled exceeds the number of workers seeking employment. That stage was reached in Canada in Aug., 1942, according to Dominion Bureau of Statistics figures. This chart illustrates the wartime trend; shows how approximately 100,000 unplaced applicants at the beginning of the war have now been replaced by almost a quarter of million jobs waiting to be filled.

Retail Drugs Show Stability

72.7% Stores Still in Business After Ten Years

By H. BRUCE PARKER
For Dept. Business Administration, University of Western Ontario

Stability is the notable characteristic of the retail drug business as revealed in a survey of the trade in London, Ont., between 1932-42.

Of the 33 retail drugstores in operation in 1932, 10 years later 24, or 72.7% of the original number, were still in business. The total number increased every year with exception of 1937 and 1942, in each of which there was a decrease of only one store.

Entrances, it is shown, exceeded exits by eight stores. In 1942 there were 41 stores in operation as contrasted with 33 in 1932, a net increase of 24.2%.

Extension of the range of merchandise until the drugstore has become something of a department store is suggested as one reason for expansion.

Reasons for stability, however, have been found to stem from the fact that every drugstore is required by law to have a licensed pharmacist to fill prescriptions. This eliminates large numbers of poorly trained persons who might otherwise wish to set up in business.

Engenders Goodwill

Because of its professional character, a larger amount of goodwill attaches to the drug than to other fields of business, it is found. Consequently a business once built up retains its customers for a longer period.

Finally, as a rule more initial capital is required to start a drugstore than some other types of retail store.

As will be seen from the following table, the number of entrances exceeds the number of exits in six out of the 10 years and was equal to the number of exits in three of the 10. Exits exceeded entrances in only one year, that being 1936.

Rise and Fall of Retail Drugstores

Year	Entrances	Exits	Total No. Recorded
1932	..	..	33
1933	2	..	35
1934	3	1	38
1935	1	1	38
1936	2	3	39
1937	2	2	38
1938	3	1	39
1939	2	2	40
1940	2	1	40
1941	3	2	42
1942	1	..	41
	21	13	

Reasons for Distortion

It should be noted that discrepancies may appear in the survey as the telephone directories, from which the data were secured, may have missed the odd drugstore because it does not have a phone, may have neglected to pay its bill or may have been overlooked.

Spelling changes may have occurred in store names. Proprietors may have changed or the business transferred.

Furthermore, the number of chain stores may distort results because they seldom fail. In this survey there are 22 chain units out of a total of only 54 stores in the whole district, counting those which went out of business during the period. Of the chain stores there were 7 entrances during the period against only 1 exit.

a total of only 54 regular stores in the whole district. Of these there were 7 entrances during the period against only 1 exit.

Following is a table showing entrance and withdrawal percentages:

Year	Withdrawal %	Entrance %
1932	.00	Incomplete
1933	.00	6.06
1934	2.63	8.57
1935	2,63	2.63
1936	7.69	5.26
1937	5.25	5.13
1938	2.56	7.89
1939	5.00	5.13
1940	2.50	5.00
1941	4.76	7.50
1942	Incomplete	2.80
—Yearly Average—	3.3%	5.59%

LIFE EXPECTANCY OF RETAIL DRUG STORES

Years	No. of firms having an oppor. to survive	Total No. of firms	Est. %
1	54	54	100.
2	50	54	92.6
3	48	54	88.9
4	43	54	79.6
5	42	54	77.8
6	39	54	72.2
7	38	54	70.4
8	34	54	63.0
9	32	54	59.3
10	25	54	46.3

From the foregoing it appears the average drugstore listed in any one year has about 93 chances in 100 of staying in business long enough to be listed a second year. It has about 46 chances in 100 of being listed continually for 10 years. This life expectancy of 46.3% for ten years is relatively high compared with most other business fields surveyed. It gives the drugstores almost a 50-50 chance of living for ten years or over.

PARTNER

John M. MacKay, who has been admitted to partnership in the Toronto Stock Exchange firm of F. H. Deacon & Co. Mr. MacKay has been with the firm for 18 years.

Guard Public's Coal Rights

B. C. Government Keeps Eye on Peace River Crown Coal Lands

From Our Own Correspondent

VANCOUVER. — The British Columbia Government has placed a reserve on all Crown coal lands in the Peace River district to prevent their being taken up under the stress of a fuel emergency and held for exploitation later.

The government wishes to hold these coal lands to protect the public interest in regard to royalties, fees and taxes. The reserve will remain in effect until a general policy for development of the area is devised.

There are 15,000 acres of land in the Peace River district held by private interests, about half of which is located on the Peace River, 10 or 12 miles west of Hudson's Hope, and the balance on the Carbon River, about 20 miles farther west.

These areas are reported to contain large seams or deposits of high grade coal. They were taken up in conformity with provisions of the Coal and Petroleum Act, some dating as far back as 1911. The former area is held under Crown grant, the latter under lease. Aside from some prospecting and development work, as required by the statute, no further development or opening up of the coal measures for commercial purposes appears to have taken place.

Since Nov., 1939, because of fuel shortage and local demand, permits have been granted to mine 75,000 tons of coal from the district.

At present there are outstanding permits covering 25,000 tons. These were granted to supply military authorities as well as for local use. The returns, so far submitted and on which royalties have been paid, show that less than 2,000 tons of coal have been mined and disposed of throughout the district under all of these permits.

MINE LAVA TALC

Lava talc, a valuable raw material, unobtainable now from former supply sources, is being mined in Kootenay National Park, British Columbia, and production of 40 tons monthly is expected. It is the only known source of lava talc in Canada and is chiefly used in the manufacture of radio equipment.

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Investing For Tomorrow Article No. 18

Lake of Woods Clears Deck

Pioneer Flour Miller Makes Remarkable Recovery

By JOHN LANGDON

Food has top priority as a war essential; it will be equally important in the postwar period when the United Nations face the stupendous task of feeding the half-starved nations of Europe. No one interested minimizes the task ahead. After the war it will take two years, probably more, before continental Europe is again on a basis where it can look after its own food requirements.

Whatever plan is adopted will have as its base flour—flour made from wheat. And with its tremendous stores of wheat and large milling capacity, Canada will be called upon to take a prominent part in providing flour, wheat and other foodstuffs.

For many months millers have worked day and night to meet the demands created directly and indirectly by war. There is the increased consumption of wheat flour in the domestic market due to the greater buying power of people. There are the hundreds of thousands of tons of flour shipped to battle-scarred Britain. Other large quantities have gone to Newfoundland, the West Indies, Russia, India; in fact, to every quarter of the globe.

Has Special Interest

Flour is a vital foodstuff. In considering the investment merits of Canadian corporations now and after the war, it is but natural that consideration should be given to operators in the milling trade. In this group is Lake of the Woods Milling Co., a pioneer in the trade. There are other companies in the field which are as large, if not larger, which have bigger earnings, or whose stock has a higher market value or pays larger dividends. But Lake of the Woods is interesting because:

1. It is a pioneer in the field.
2. Its mill operations are confined largely to straight milling.
3. Its flour is known in the markets of the world.
4. It has made an outstanding comeback in the last 10 years, following an almost disastrous experience which arose, in part, out of management policies complicated by conditions of the time.

Six Million Loaves a Day

Lake of the Woods is one of the five major milling companies in the Dominion.

From its four mills at Medicine Hat, Portage la Prairie and Keewatin (2), the company can produce about 15,000 bbl. of flour, or sufficient to make six million loaves of wheat bread of average size every day of the year.

In addition it operates 110 line elevators in the West with a capacity in excess of 3½ million bushels and has its own developed water power at Keewatin.

Grew Up With the West

Lake of the Woods came into being in 1887—two years before the Canadian Pacific completed a transcontinental line to the Pacific coast. Wheat growing on the Prairies was starting to get under way on a large scale.

Heading the newly formed company was Alexander Mitchell. The directors included Sir William Van Horne, Lord Mount Stephen, together with other leaders of the Canadian Pacific Railway.

A reorganization of the company took place two years later. Robert Meighen became president. He was succeeded on his death by his son, Brig.-Gen. F. S. Meighen, who continues to hold the office of president.

Operations were highly successful from the beginning. Business expanded. Export outlets were opened up. Other plants were acquired. Earnings expanded rapidly.

In 1904 the first dividend of 8% was paid on the stock, then with a par value of $100 a share. For the next 24 years the company paid dividends regularly, the amount distributed rising to as high as $12 a share, never lower than $6, and with bonuses from time to time. With this record behind it, it is little wonder that Lake of the Woods stock was long regarded as a "blue chip" issue.

Severe Setback in 1930

Around the middle 20's the company undertook a policy which eventually resulted in a severe setback.

At that time milling companies decided to ensure domestic outlets for their product by acquiring bakeries. Not one, but several companies, engaged in the same policy at the same time. Competition was keen and values paid for properties, in many instances, were greatly in excess of their real worth.

Lake of the Woods was no exception. In 1927 it acquired bakeries in Montreal, Toronto and Ottawa, bringing them together under the title of Inter-City Baking Co.

In 1929 it bought another 13 bakeries in the West and in 1930 these units were amalgamated as Inter-City Western Bakeries.

Almost immediately came the collapse of the business boom.

In 1930 and 1931 Lake of the Woods took huge losses, partly due to price cutting and disastrous competition abroad, but also due to losses in the wheat market, bad debts and to writing down of inventories because of decline in value of wheat and flour.

This was a difficult and trying period for the company, added to in 1933 when Inter-City Western Bakeries defaulted on its bond interest. Finally in August, 1938, the assets of the western bakery chain were sold to George Weston, Ltd.

Following the heavy losses of 1930 and 1931, the company secured bank loans against collateral of $4 millions of 6% bonds. Though none of these bonds ever got into the hands of the public, it was the first time in the long history of the company that a bonded debt had to be placed ahead of the preferred and common shares.

Real Job of Rehabilitation

At this time certain changes were made in the management. Lake of the Woods tightened up its belt and the work of rehabilitation set in.

Just how good a job was done may be judged by comparing the financial situation at the end of Aug. 31, 1943, with that obtaining late in 1933, after the company had written off $2.7 millions of capital lost or unrepresented by assets.

Over the last 10 years Lake of the Woods' working capital improved from an excess of current liabilities over current assets of $968,557 to a favorable balance of $2,263,857, a gain of $3,232,414.

Add to this $211,169 representing the refundable portion of the excess profits tax now on the books and $1.02 million in additions to plant.

Subtract a reduction of investment and loans to subsidiary companies of $129,077, and there is a net gain of $4,337,021.

This represents a net increase of $29.36 per share of common stock outstanding.

Today the common sells at 22. In 1933 it struck a low of 5.

Despite all the trials and tribulations arising out of the 1930 and 1931 losses, it is significant that with the exception of one year—only one—the earning power of the company always stood high. With the exception of that one year—1938—which was deflationary in every sense, Lake of the Woods annual earnings on its common stock has ranged from a low of $1.47 to a high of $3.41 a share.

Improvement in position is reflected further in a reduction in the bonds held as collateral by the bank from $4 millions to $2½ millions and a reduction in interest rates from 6% to 4½%.

Survey of Position

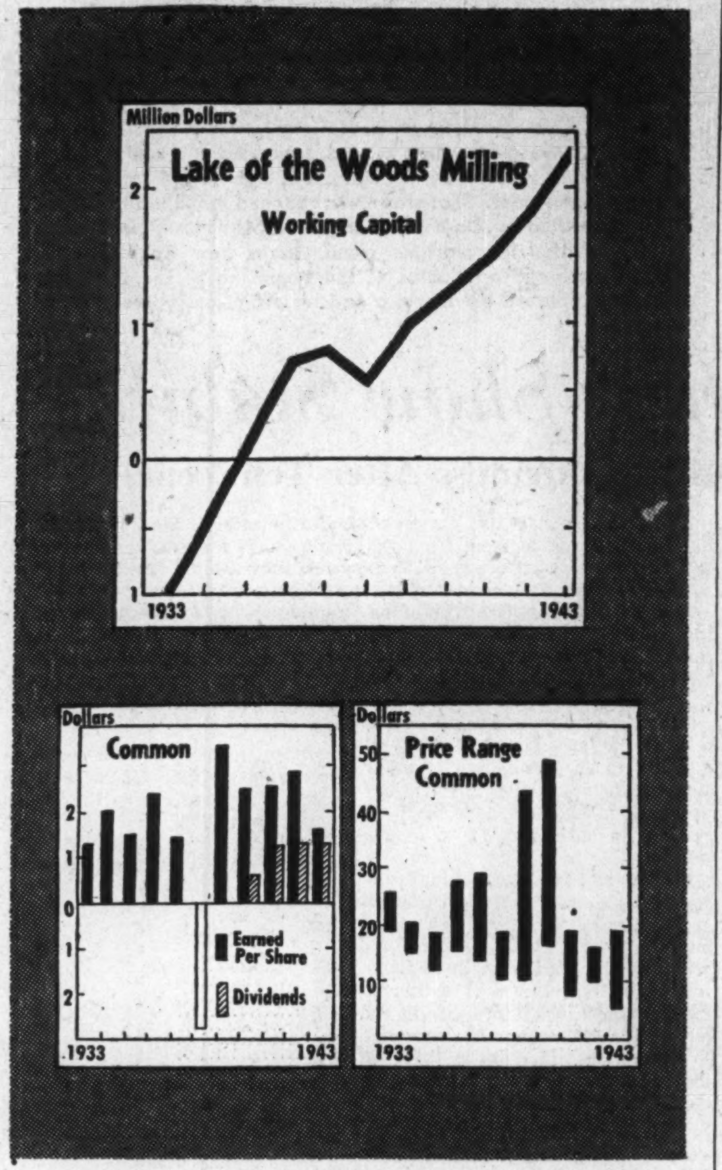
In surveying the near and long term outlook for the company, there are several factors to consider.

The company's interest in bakeries is now confined to Inter-City Baking Co. This is a well-organized, well-entrenched enterprise. While no definite figures have been issued by Lake of the Woods on its holdings, the fact that it controls Inter-City would indicate holdings of at least half of the stock.

Inter-City Baking is making money. Since 1939 a dividend of $3 a share has been paid each year; in 1943 there was a bonus of $1. The equity back of the stock at Jan. 31, 1943, was $74.12 a share, while the current market value is $43 a share.

Milling operations for some time past have been limited only by availability of manpower.

Demand admittedly is abnormal and, of course, arises out of the war. But there is no reason for anticipating that the war ending in Europe will result in a sharp deflation in the company's volume of business.



The past ten years have seen remarkable improvement in the working capital of Lake of the Woods Milling Co., as shown by the top chart. From an excess of almost a million dollars of current liabilities over current assets in 1933, the company has gone to a net working capital of over $2¼ millions. In earnings per common share, one year, 1938, shows an actual deficit; all other years show substantial earnings. Dividends were started in 1940; are now paid at an annual rate of $1.20 a share.

There is sufficient business on the books of the Canadian milling companies to keep them going at present levels for at least the next two years, irrespective of when the war ends. And if there is no early termination of the European war, as is anticipated in many quarters, then the period of capacity operations will be extended accordingly.

The postwar feeding of Europe will be a tremendous undertaking. There will not only be a demand for flour, but also for meats. Lake of the Woods and other millers are not uninterested in this phase, for the supply of mill feed constitutes an important part of their business. The volume of this business is controlled by the output of flour and in turn demand.

In addition Lake of the Woods can expect substantial revenue for some time to come from storage charges on wheat held in its elevators. All available storage capacity has been crowded for the last two years or more. While wheat and flour demands have shown a tendency to rise of late, there is no indication of surplus storage capacity unless the 1944 wheat crop is an absolute failure.

Protected on Raw Material

One factor to consider is the matter of wheat prices. Under present arrangements with the Government, and as part of the policy to keep down prices, wheat is made available to the company at a cost of 77⅜ cents a bushel. This is much below market value.

In return for this the company made an arrangement with the Government as from Aug. 1 last whereby it surrendered the 20% refundable portion of the excess profits tax while in receipt of stabilization funds under price ceiling legislation. Thus the company is protected against any sharp and unexpected falling off in the value of wheat.

To sum up: the damage wrought in 1930 and 1931 has been cleared away. Financially the company's position is sound. Earnings are substantial and well-established. Operations are of record proportions and should continue high for at least two years, if not longer, after the end of the war in Europe.

Lake of the Woods Milling
Statistical Record

	Price range (Common Stock)		Working capital	Net profit	Common Dividends	Earnings per share	
	High	Low				Pref.	Com.
1943	26½	19	$2,263,857	341,135	$1.20	$22.74	$1.60
1942	20¼	15	1,863,686	517.060	1.20	34.47	2.79
1941	18½	11½	1,502,188	478,699	1.20	31.91	2.53
1940	27	14	1,261,727	476,601	0.50	31.77	2.52
1939	28¼	13	1,085,105	608,508	...	40.57	3.41
1938	18¼	10	613,726	†296,132	...	†19.74	†2.72
1937	43½	10	817,231	328,689	...	21.91	1.51
1936	48	16½	714,852	447,667	...	29.84	2.32
1935	18½	7	122,352	322,325	...	21.49	1.47
1934	15	9⅞	*375,784	402,371	...	26.82	2.01
1933	18½	5	*968,557	300,698	...	20.05	1.32
1932	9¾	4	*1,434,657	111,369	...	7.42	0.04

* Excess of current liabilities over current assets.
† Loss or deficit.

Survey Shows Winnipeg Will Need 1,500 Houses

Winnipeg at war's end will need immediate construction of 1,500 houses costing $7.5 millions; if these are not provided by private enterprise and the National Housing Act, some form of subsidized low-cost housing project will be necessary.

Such is the finding of a committee of seven city officials set up in September.

The report refers particularly to citizens unable to pay the full costs of home ownership, says that for these some form of subsidy is necessary and suggests modification of the National Housing Act might achieve this. It describes as inadequate Part Two of the NHA which expired in 1940 without a cent of its $30 millions appropriation for rental-housing having been taken up.

Any subsidies, the committee urged, should come from the Dominion Government, not the city. In general, subsidies were considered difficult. Real estate formed the backbone of municipal financing. Should subsidies be granted indiscriminately, rents would be reduced below the economic level, or too many dwellings might be provided, thus lowering property values.

Success of the Winnipeg Housing Commission is reviewed; this advanced $2.7 millions for construction of 712 houses.

In 1934 and 1938 plans were examined—but not implemented—for housing 588 and 474 families in apartments at $1.8 millions and $1.5 millions respectively. "If such plans are considered in the future they should be for much smaller groups to avoid strain on utility and school facilities," says the report.

City of Winnipeg Housing Co. was formed to build (but didn't) blocks of 180 suites, each costing $575,000 with 120 three-room suites renting at $21 a month and 60 four-room suites at $27 a month. The company could not bring its costs down to conform with National Housing Act requirements and loans were not forthcoming.

At the moment city council is studying not only the special report on the whole housing situation but also a proposal to renovate dilapidated houses under direction of a new housing commission of city councillors and including an architect, builder, realtor, labor representative, etc.

LUMBERMAN

Landless Pratt, Montreal, who has been elected president of the Quebec Province Wholesale Lumbermen's Association.

Seek Changes Paper Tariff

From Our Own Correspondent

MONTREAL.—Help toward alleviating the newsprint shortage in the United States is the purpose of a bill introduced in Congress by Chairman Lyle Boren of the House of Representatives Newsprint Investigating Committee. He seeks to provide exemption from tariff for imported paper of lighter weight and smaller width than that now exempted.

The bill was referred to the House Ways and Means Committee. Hearings are scheduled next month.

Under present tariff legislation standard newsprint weighing 32 to 35 lb. on the basis of 24 by 36 inches per 500 sheets is admitted free of duty.

Specifications for duty-exempt imports under the Boren bill include:

Weight: a quantity with surface equal to that of 500 sheets, each 24 by 36 inches, weighing not less than 25 lb., nor more than 35 lb. with the thickness not exceeding 42 10/1000ths of an inch.

Rolls and Sheets: Paper shall be in rolls not less than 14 inches wide and 28 inches in diameter or sheet measuring not less than 20 by 30 inches.

Stock: not less than 70% of the total fibre shall be groundwood.

Finish: the average of five tests in machine direction and five tests cross direction on both sides, moving the paper after each test, shall be not more than 50% gloss.

Ash: the ash content shall be not more than 6½%.

Degree of size: the paper shall not contain sizing to a degree which will cause a transudation time of water to exceed 10 seconds when the paper is tested by the ground glass method or five seconds when tested by the curl method.

U. S. Newsprint Use Declines

November Consumption Lowest for Month Since 1935

From Our Own Correspondent

MONTREAL. — Apparent total consumption of newsprint paper in the United States last month was the lowest for any like period since 1935.

On the basis of returns compiled by the American Newspaper Publishers Association, and estimates of the Newsprint Association of Canada, 299,850 tons of newsprint were used in the States last month. This represented a drop of nearly 18,000 tons from the previous month and was 51,000 tons lower than in Nov., 1942.

Consumption for the 11 months ended November at 3,367,252 tons showed a reduction of not quite 3% from a year ago, but in a more significant comparison with the base period of 1941, there was a decline of 5.5%.

Shipments from Canada during the first 11 months represented 73% of the total United States supply. From Newfoundland came 4% of the total, while shipments from the U. S. mills represented 23%. There were no imports from Europe.

Stocks of newsprint paper in hands of consumers at the end of last month totalled 479,634 tons. This was a reduction of 6,500 tons from October, the lowest level since Aug., 1941.

Compared with 1939 stocks at the end of November were higher by approximately 37,000 tons. A year ago stocks totalled 683,704 tons.

With stocks in manufacturers' hands totalling 121,973 tons, total North American supply at the end of November stood at 601,609 tons, compared with 615,405 tons at the end of October, 849,554 tons a year ago, 732,021 tons in 1939.

Hinde & Dauch Holds 1942 Peak

It is anticipated that 1943 output record (attained by the Hinde & Dauch Paper Co. of Canada, Ltd.) will approach the production peak of 1942. L. F. Winchell, vice-president, in reporting to shareholders on the occasion of the fourth quarterly dividend payment, said this had been achieved in spite of acute manpower and material problems and certain tonnage losses beyond the company's control.

Carry-over of orders in 1944 will be the heaviest in the company's history. Consequently this condition, which is not uncommon to the whole industry, has resulted in more rigid controls being imposed by the Government.

Moreover, Mr. Winchell said, the company is now required to supply monthly tonnages of paperboard to Great Britain. He foresaw company facilities being employed as fully in 1944 as raw materials supply would permit.

Builders of Transport for Canada

Railway passenger and freight cars—Steel cars, air dump and industrial cars of all descriptions—Automobile and bus bodies, automobile body woodwork, automobile chassis frames and parts—Steel pressings and forgings, drop forgings, steel and light alloy aircraft forgings.

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Sault Ste. Marie, Ont. Fort William, Ont.
Port Arthur, Ont.

Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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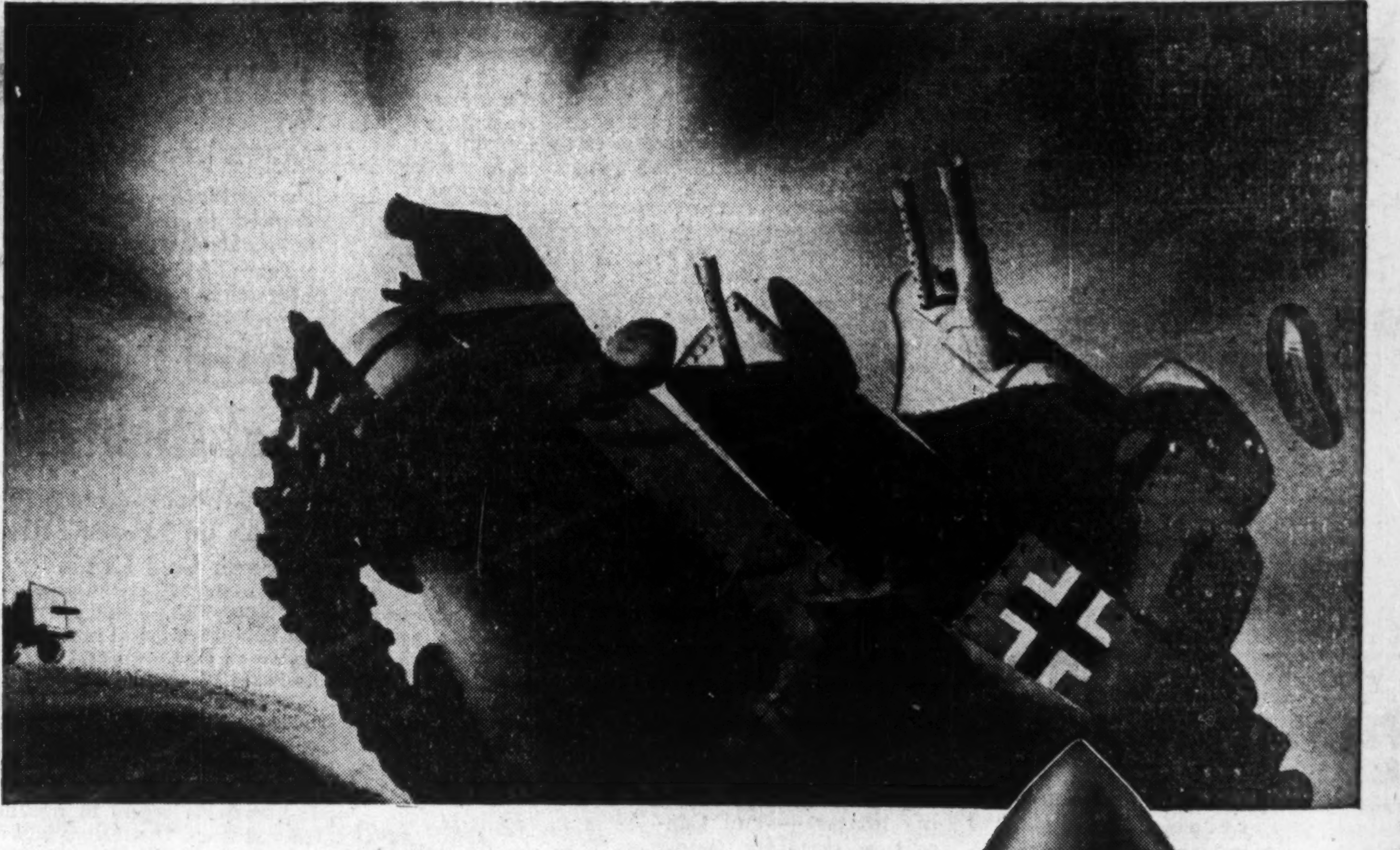


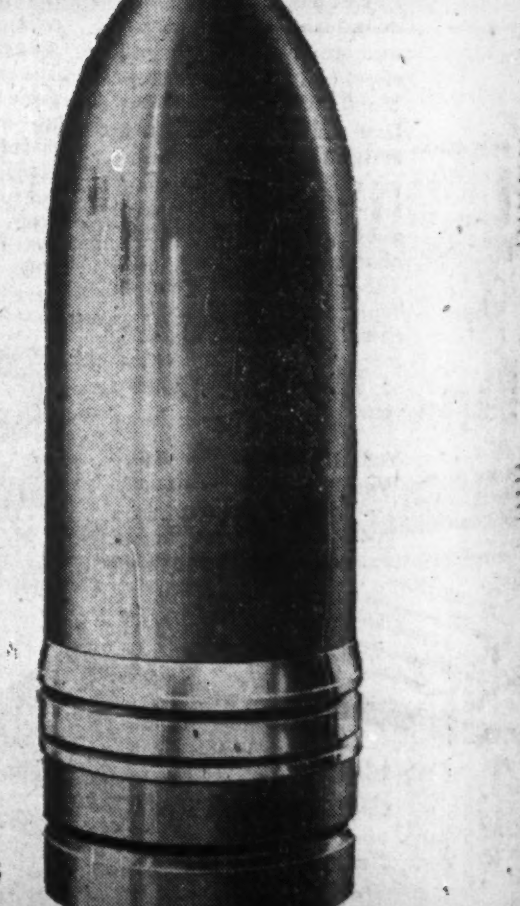
DEATH RATTLE IN A NAZI TANK

"The tank is obsolete", so observers in Africa say. They cite the wreckage of Rommel's armoured tanks to prove it. The penetrating fire-power of guns of high muzzle velocity has checked the might of the panzers—new alloy armour piercing shot from such guns have proved its undoing.

These projectiles penetrate the thickest armour plate and, white hot from the impact, ricochet inside the tank spreading fire, death and destruction.

Recently developed alloy steel for this new shot is made by Stelco.

Special steels for varied uses will help the peace time march of progress.



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We Have Been Asked . . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Race Track Winnings

During the past year I made some bets at the race tracks and on the whole I am some dollars ahead. Should I include these winnings with my income for tax purposes?

No. Race track and gambling winnings are not subject to income tax unless you make such operations your main business.

Sister-Housekeeper

I am a farmer and a bachelor living in the family farm house with my sister who acts as my housekeeper. She has no other means of support. Am I entitled to any allowance on her account for income tax?

It is understood you are entitled to deduct $150 from the amount of graduated tax payable each year, and you are also entitled to the 7% rate on normal tax, because you keep a self-contained domestic establishment in which you maintain a wholly dependent blood relative.

Visitor from India

I am a civil servant employed by one of the states in British India, but am at present in Canada on leave. I came here in the beginning of July, 1943, and am returning to India early in 1944. Am I liable for income tax in Canada? If so, is there any reciprocal arrangement between Canada and India as regards income tax?

Because you are not making Canada your permanent residence and were not here more than 183 days in 1943, and will not be here more than 183 days in 1944, you are not liable for income tax in Canada in either 1943 or 1944, we believe. If you were subject to tax here, under section 8 of the Income War Tax Act, you would be allowed to deduct the amount of income tax on the same income which you pay in India.

INVESTMENTS

Brown Co.

Could you tell me what were the terms of exchange in the 1941 reorganization of Brown Co.?

Under the 1941 reorganization, of Brown Co., the then outstanding 5½% first mortgage sinking fund gold bonds, series A and B were exchanged as follows:

Holders of each $1,000 bond of the old 5½% issue received in exchange for all claims, including arrears of interest, $600 in principal amount of general mortgage 5% cumulative bonds maturing Dec. 1, 1959, voting trust certificates for 6½ shares of new $6 cumulative convertible preferred stock, $100 par, voting trust certificates for 28 shares of new common stock, and $1.67 in cash and a voting trust certificate for 1/20 share of new preferred stock for each series A bond. In the case of series B bond, the only change was in the last provision which provided $1.25 cash and a voting trust certificate for 1/10 share of new preferred stock.

Other provisions of the reorganization were that each holder of old preferred shares received voting trust certificates for 12 one-half shares of new common stock for each old preferred share held; and each common share received a voting trust certificate for three-eighth shares of new common stock purchase warrants for 2½ shares of new common stock.

B. C. Pulp & Paper

I would appreciate some information on the current and probable future position of B.C. Pulp & Paper?

Since 1938, when the company showed an operating loss, British Columbia Pulp & Paper Co. has been able to show increased operating and net earnings with the exception of 1942 when net profits dropped to $241,981 from $601,160 in 1941.

Interest payments on the 6% first mortgage bonds which fell due May 1, 1939, to Nov. 1, 1940, inclusive, were postponed until Nov. 1, 1942. As a result of the difficulties at that time, the 6% bonds due 1950 were quoted during 1939 as below 50. There has been a marked improvement in the company's operations, and at present the bonds are quoted at just below 100.

Working capital has improved to $1.7 millions at the end of 1942, as compared with $143,469 at the end of 1939. There has been a reduction of $320,500 in the amount of 6% first mortgage bonds outstanding, leaving the balance at $2.8 millions.

On the other hand, as evidenced by last year's earnings, the income of British Columbia Pulp & Paper Co. appears to be influenced strongly by changes in operating conditions. Hence, although the position has improved since before the war, the investor in these securities must be prepared to see a fairly wide fluctuation in the value of his holdings.

Maple Leaf Milling

I am looking for an investment that is extremely safe, but pays a fair rate of interest. Do Maple Leaf Milling bonds meet my needs?

Bonds of Maple Leaf Milling Co. can hardly be regarded as coming up to the requirements you set for safe investment. The company has just published what is regarded by the president as the best financial statement in its early history, but it must be recognized that in the early years of the depression, Maple Leaf Milling Co. came close to bankruptcy. The company still has $1.7 millions of deferred banker's advances, along with $3.2 millions of bonds outstanding. This is a substantial improvement from 1937, when the totals were close to $2 millions for the bank advances and $4.6 millions for the bonds.

Were it not for present high taxes, the company would have made even a higher reduction in its debt, but after all charges and taxes, in the year ending July 31, 1943, the company was only able to show a net profit of $199,886 against total earnings of over 3 millions. In the previous year the net profit totalled $347,662.

While the outlook for continued operation at a very high level seems assured, the bonds of Maple Leaf Milling Co. can hardly be rated as "an absolutely safe" investment until the company has been able to make further reductions in its outstanding debt.

WPTB QUESTIONS

Shared Accommodation

I have rented three rooms in my home. My tenants share the same entrance, bathroom, etc., in the home. I gave them notice to vacate three months ago and they will not leave. How can I force these people to leave my home?

As your tenants are living in shared accommodation, have been given proper notice and refuse to move, you can recover possession of these rooms under provincial law. Would suggest that you consult a solicitor in the case.

Tea for Overseas

May I include a package of tea in a box to be mailed to England?

Yes, effective Dec. 18 small quantities of tea may be included in overseas parcels without an export permit. The tea, of course, would have to be purchased with coupons from the sender's own ration book.

Rations for Men on Leave

Can I secure extra ration coupons for my husband when he comes home for a 48-hour leave?

Yes, effective Dec. 15 special ration cards have been made available, issued to members of the armed services on 48-, 72- and 96-hour leaves. The new card is issued with leave passes and must have the stamp of the issuing unit. This card must be signed by the member of the armed forces, together with his regimental number and number of meals received while on leave. It must be then signed by the person serving those meals, mailed or taken to the local ration board. For every nine meals shown on the card a two-weeks' supply of any one rationed food may be obtained in ration coupons. Persons mailing or presenting such a card may state which food coupons are desired.

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Canadian Pacific Plans To Rebuild Pacific Fleet

From Our Own Correspondent

MONTREAL.—Though the postwar outlook continues indefinite and plans for rebuilding the Canadian Pacific's Atlantic steamship fleet depend in part on air transport development, the company definitely will rebuild certain units of its Pacific fleet, according to D. C. Coleman, chairman and president of the company.

"Having lost two of the Empresses formerly employed in the Pacific trade," he announced, "and a third (the Empress of Russia) being due for retirement shortly, naturally we have been considering plans for our postwar service on this ocean.

"All I can say at present is that we have in mind adequate replacement and our designers are busy.

"In so far as service to Australia and New Zealand is concerned, one of the Canadian-Australian ships has been lost and we are now conferring with our partner, the Union Steamship Co. of New Zealand, as to providing for this trade after the coming of peace."

As regards capital expenditures in other fields, Mr. Coleman said that the postwar years should bring development in transportation by air, sea and land—a development in which the Canadian Pacific Railway hopes to share and "to which it hopes to contribute as in the past."

Nfld. Surplus Drops Steadily

Surplus of revenue over expenditure for the Government of Newfoundland amounted to $300,000 for Nov., 1943 compared with $660,000 in November last year. This is in line with the year's trend, a surplus for the eight months to date being $4.5 millions compared with $7.1 millions in 1942.

Revenues for November and for the eight months both show increase, Customs alone have declined, being offset by increases in land revenues.

Revenue and Expenditure

(000,000)	November 1943	November 1942	Apr.-Nov. 1943	Apr.-Nov. 1942
Revenue				
Customs ...	$1.5	$1.6	$9.6	$13.2
Other	0.7	0.5	8.9	5.6
Total	2.2	2.1	18.5	18.8
Expenditure				
General ..	1.9	1.4	11.5	9.4
Debt chgs. .	*0.0	...	2.5	2.3
Total	1.9	1.4	14.0	11.7

* $54,452.

Dominion Glass Activity Holds

From Our Own Correspondent

MONTREAL. — High levels of business shown by the Dominion Glass Co. in the year ended Sept. 30 last was currently being maintained, according to a statement made by L. J. Belnap, president, at the annual meeting of shareholders. Operations, he said, were being carried on at capacity and as best as could be expected under the stringent labor situation.

With the company in the higher bracket with regard to excess profits taxes, "nobody can tell what 1944 holds for the company," he added, and, depending on taxation and costs, "profits may show an improvement."

It is difficult to obtain materials and efficient labor, Mr. Belnap continued, and for this reason maintenance and repairs were being temporarily deferred, until at least after the war.

PRESIDENT

Lionel D. M. Baxter, elected president of Osler, Hammond & Nanton Ltd., Winnipeg. Formerly vice-president of the company, Mr. Baxter is a director of Osler & Nanton Trust Co. and a number of other western companies.

Maple Leaf Milling Honors Loyal Workers

The Quarter Century Club of Maple Leaf Milling Co. Ltd. held its inaugural dinner on Dec. 18, 1943, in Toronto. Over 100 chartered members attended. Membership includes employees from Toronto, Port Colborne, Winnipeg, Medicine Hat and Vancouver who have served 25 to 40 years with the company.

Each member was presented with a medallion and a Dominion of Canada Victory Bond. D. C. MacLachlan, president, announced that all members would be given three weeks' vacation with pay annually.

Owners to Pay Housing Shot?

Realtors Say No to Any Subsidy Involving City Tax Exemption

No municipal tax exemption should be involved in a subsidized rental-housing program, Ontario realtors will urge the Dominion Government following recent representations by the Canadian Construction Association for subsidized national housing. It has been said the Government is considering legislation for subsidized rental-housing, to be presented to the House session opening next month.

At its 21st annual meeting in Toronto the Ontario Association of Real Estate Boards passed a resolution addressed to the Prime Minister asking representation on any committee studying the matter, but warning municipal tax exemption would be "ruinous to the municipal taxpayers already overloaded with taxes not properly applied."

War House Sale Opposed

No sale, conversion or other present disposition should be made of houses erected across Canada by Wartime Housing Ltd., the Association decided to recommend in a brief.

A resolution:

1. Opposed sale to present tenants or others;
2. Favored deferment until after the war of decision on disposal;
3. Objected to any plan for conversion into "so-called permanent dwellings";
4. Advocated adherence to "original agreement with the municipalities for removal of the houses within six months of the termination of war."

Another brief to set forth the property owners' viewpoint on the whole question of housing will be framed at the first annual meeting of the Canadian Association of Real Estate Boards, C. E. Purnell, Hamilton, president, in March.

The Dominion Government, the realtors were told by T. H. Bartley, manager, Toronto Industrial Commission, has asked that municipalities tabulate plans and costs of construction that might be discussed for possible joint financing with federal and provincial governments.

The following officers were reelected by the Ontario Association of Real Estate Boards:

CHARLES K. JUTTEN, Hamilton, president;
ROY H. RICE, Toronto, vice-president;
JOHN B. LAIDLAW, Toronto, executive-secretary.

Ottawa Spending Up 53% In Nov.

Dominion expenditure increased 53% in November compared with last year, revenue for the month being up 18%. For eight months to Nov. 30, 1943, revenue rose over 21%, the increase in expenditure being just 15%.

Total expenditure for the eight months to Nov. 30 increased $418 millions of which $350 millions are attributed to war costs, including Mutual Aid. Revenues were also up $297 millions, of which 161 millions were derived from income and excess profit taxes.

Report for the period appears below:

	1943 $ (000)	1942 $ (000)
Receipts		
Excise taxes, etc. ..	397,016	308,083
Inc. & E. P. taxes .	1,057,667	896,821
Other sources	297,773	250,307
Total revenue	1,752,456	1,455,211
Disbursements		
To provinces	66,346	64,578
Debt interest	165,079	119,521
Other ordin.	171,527	165,848
Total ordin.	402,952	349,947
Capital exp.‡	1,739	2,647
War expend.	2,242,645	1,424,216
U. K. war fin.	......	908,929
U. N. mutual aid ..	450,477	......
Agr. assts. & relief	22,114	16,527
Total special	2,715,236	2,349,672
Other exp.	910,865	711,390
Grand total	3,120,838	2,702,977
Loans & Investments		
Purch. of C.N.R. secs.	1,157	84,945
Commod. & oth. cos.	247	10,997
Other	-15,844	10,040
Total loans & inv. .	17,248	105,982

‡ Transport.

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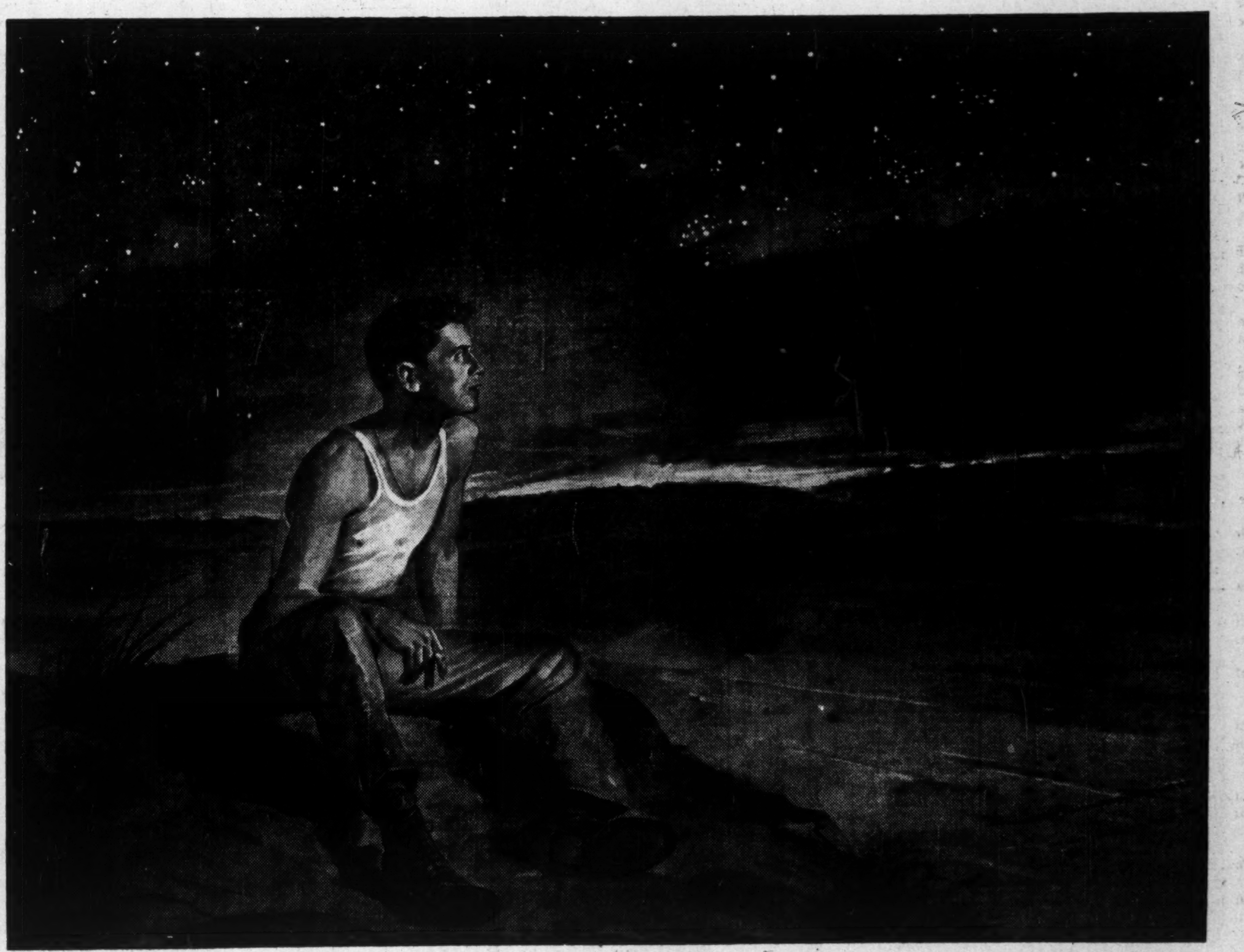
CHARLES BURNS W. H. DENTON

Newfoundland Light & Power Co. has called for redemption on account of sinking fund $20,000 par value of its 4½% first mortgage bonds of 1956. Payment will be made in Canadian funds at 102 and accrued interest on Jan. 1, 1944.



Christmas Eve, 1943

"This is the night — the night I've always lived for, year in and year out.

"This one is sure different, though. Instead of sleighbells, we've got tank tracks clanking over the rocks. Instead of stockings over the fireplace we've got Army socks drying on the bushes. Instead of a treeful of presents, Jerry lobs over 155's.

"See that star over there? Looks like a Christmas star all right. It's shining down on our house right now, I bet . . . on Dad and Mom and the kids and Mary.

"They'll be singing carols and it'll sound wonderful. And there'll be a big fire in the fireplace and the stuff on the tree will be sparkling like diamonds. And after a while they'll hang up the stockings. And finally they'll all go to bed and the kids'll dream of Santa Claus all night long, like I used to.

"Merry Christmas, Dad and Mom! Merry Christmas, kids! Merry Christmas, Mary! Don't worry about me. I'm all right. And, if everything goes okay, I'll be home for next Christmas."

◆ ◆ ◆

Let us not fail the boy who waits tonight on a wind-swept hill. Let us try to match his job with ours. Let us work harder in mine and field and factory. Let us buy more and more Victory Bonds and War Savings Certificates. Let us resolve now to bring him home before another Christmas comes.

THE HOUSE OF SEAGRAM

THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dec. 21, 1943

%	Due	Bid	Ask.
2	June 1944 ...	100¼	100½
1½	Sept. 1944 ...	100	100½
4½	Oct. 1944 ...	102¼	103¼
2½	Nov. 1944 ...	101	101½
2	Mar. 1945 ...	100½	101¼
2	Dec. 1946 ...	100¼	101
4½	Feb. 1946 ...	105½	106¼
2½	Mar. 1948 ...	100½	101¼
1½	May 1946 ...	99¾	100½
*2½	Jan. 1948 ...	102½	103½
3½	June 1949 ...	102½	103¼
3½	Oct. 1949 ...	101½	102¼
3	June 1951 ...	103¼	104¼
3½	Nov. 1951 ...	103¼	104¼
3½	Feb. 1952 ...	104¼	105¼
3	Oct. 1952 ...	101¼	102¼
4	Oct. 1952 ...	106	107
*3	Jan. 1953 ...	102½	103¼
3	June 1953 ...	100¼	101¼
3	Nov. 1956 ...	100¼	101½
4½	Nov. 1956 ...	106¼	107¼
4½	Nov. 1957 ...	107¼	108¼
3	Mar. 1954 ...	101½	102¼
*3	Jan. 1958 ...	101¼	102¼
3	June 1958 ...	99¾	100½
4½	Nov. 1958 ...	108¼	109¼
4½	Nov. 1959 ...	109¼	110¼
*4	Oct. 1960 ...	108¼	109¼
*3½	Jan. 1961 ...	104	105¼
3½	June 1966 ...	102	103¼
*3	Jan. 1967 ...	101	102¼
*3	Nov. 1963 ...	102	102½
3	Perpetual ...	94½	95½
4th Victory Loan:			
1½	Nov. 1946 ...	99¾	100¼
3	May 1954-57 .	99¾	100¼
5th Victory Loan:			
1½	May 1947 ...	99½	100
3	Jan. 1956-59 .	99½	100
Dominion Guarant'd Bonds			
Can. Natl. Railways:			
2½	Jan. 1946 ...	100¾	101¾
3	May 1944 ...	100¼	101¼
3	Dec. 1950 ...	101½	102½
3	Jan. 1959 ...	99½	100¼
4½	Sept. 1951 ...	121½	123
4½	Feb. 1956 ...	126	127½
4½	July 1957 ...	127¼	128¼
3	Feb., 1953 ...	100½	101½
4½	June 1955 ...	127½	129
5	Feb. 1954 ...	117	118¼
5	July 1969 ...	116¼	118
5	Oct. 1969 ...	126¼	127½
5	Feb. 1970 ...	126¼	127½
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ...	129½	130½
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	109½	111½
Provincial Govt. Bonds			
New Brunswick:			
4	Nov. 1947 ...	111½	113½
3	Oct. 1951 ...	98½	100½
3½	Aug. 1949 ...	99	101
3½	June 1956 ...	99½	101½
4½	Apr. 1961 ...	119	121
5	Jan. 1960 ...	124	126
Nova Scotia:			
3	Jan. 1952 ...	99½	101½
3½	June 1956 ...	100½	102½
3½	Nov. 1950 ...	103½	105½
4½	Sept. 1952 ...	115	117
4½	Nov. 1960 ...	124	127
5	Mar. 1960 ...	129½	132½
Ontario:			
2½	May 1945 ...	100½	101½
3	Apr. 1948 ...	100½	102½
3	Nov. 1950 ...	100½	101½
3½	Nov. 1951 ...	101½	103
3½	May 1955 ...	101	102½
4	June 1962 ...	121	123½
4½	June 1950 ...	108½	110½
4½	Jan. 1962 ...	127	130
5	Oct. 1948 ...	109½	110½
5	Dec. 1960 ...	134	136
5½	July 1946 ...	107	108½
Ont. Hydro Commission:			
3	Aug. 1948 ...	100½	
3½	Feb. 1953 ...	101	
3½	Apr. 1947 ...	103½	
Prince Edward Island:			
4	Mar. 1954 ...	101½	
Quebec:			
3	Nov. 1947 ...	100½	
3½	Mar. 1948 ...	100½	
3½	Mar. 1959 ...	101	
4	Nov. 1952 ...	103½	
3½	Feb. 1955 ...	102½	
4½	Aug. 1958 ...	107	
4½	Jan. 1963 ...	117½	
Alberta:			
4½	Oct. 1956 ...	82	
4	Dec. 1954 ...	81	
5	Oct. 1959 ...	83	
5	Apr. 1952 ...	84	
6	Mar. 1947 ...	84½	
British Columbia:			
4	Dec. 1957 ...	113½	
4½	Jan. 1951 ...	117½	
4½	Oct. 1953 ...	118½	
5	Apr. 1954 ...	121½	
5½	Feb. 1945 ...	102½	
6	Feb. 1947 ...	107½	
Manitoba:			
4	Dec. 1957 ...	108½	
4½	Dec. 1956 ...	112½	
5	Dec. 1959 ...	117½	
5½	Oct. 1955 ...	112	
6	Apr. 1947 ...	106½	
Saskatchewan:			
4	Sept. 1954 ...	89½	
4	Nov. 1950 ...	88½	
4½	Oct. 1951 ...	101	
4½	Mar. 1960 ...	95½	
5	Aug. 1958 ...	98½	
5½	Oct. 1952 ...	99½	
6	Mar. 1952 ...	101½	

*Payable N.Y.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 21, 1943

Industrial:	Bid	Ask.
Andian National.	23	25
Anglo C. Tel., A	8½	9½
Atlas Steels, c. ..	25½	27
Do., pref.	105	108
B. C. Pulp, c. ...	11½	13
Do., pfd.	69	74
B. C. Sugar	73	78
B. C. Tel., p. ..	112	..
Brown, com.	1½	1½
Do., 6% pfd. ..	30	33
Burns & Co., A. .	9½	11½
Do., B	5½	6½
Canada Tea, p. ..	40	..
Can. Indust., A ..	156	..
Can. Mach., p. ..	6½	8
Can. Ing. Rand	55	65
Can. Mot. L.A.B.	8	8½
Cap. W. Cloth, p.	18	20½
Cassidy's, pfd. ..	53	..
Col. Realty	3½	..
Chase, A. W., p. .	16	..
Colonial Steam. .	62	66
Corr. Box, c.	1½	3½
Detroit Int. Br. .	4½	..
Dover Ind.	8½	..
Dunlop T., p. $25	24	25½
Edm. St. Yards .	40	..
Galt Brass, c. ...	12	..
Goderich Elev. ..	11	11½
Guard. Realty, p.	18½	..
Gurney Fdy., p. .	2	2½
Hart Battery	5½	..
Hayes Steel, c. ..	13	15½
High. Dairy, pf. .	51	..
Ingram & Bell, p.	92½	..
Kingst. ship., c. .	12	15
Loblaw Inc., c. .	10½	11½
Minn. & Ont., c.	7½	8½
Mt. Royal Htl., c.	3	..
M'row Screw, p.	100	..
Do., com.	14	..

	Bid	Ask.
Moirs, pfd.	40	..
Morrison Br. pd.	..	14
Neilson, Wm. C. .	11	..
Do., p.	101	..
N. Meth. Ldy., p.	76	..
Quinte Milk	2½	..
Prov. Paper, p. .	99½	101
River. Silk. B ..	2½	..
Stand. Fuel, c. ..	1	..
Stand. Fuel, p. ..	66	..
Stedman, pf. $50	55	58
Sutton Horsley .	..	1½
Tor. Carpet, c. ..	70	..
U. Stk. Yd. Sask. p	80	..
Un. Steel, A. pf.	22½	23½
Viceroy Mfg., c. .	16	22½
Do., pref.	23½	26
West. Grain, pfd.	29	33
Trust & Loan Stocks:		
British Mtge. ...	124	134
Capital Trust ...	28½	32½
Comm. Fin., c. ..	7½	8½
Crown Trust	59	..
Eastern Tr.	145	..
Grey B. Tr. $50 .	47	..
Guelph & O. $50	49	55
Indust. Mtge. ...	25	..
Lambton Loan ..	35	40
Lond. & W. Trust	37½	..
Midland Loan ..	14	17
Montreal Tr. ...	63	..
N. S. Trust	143	..
Premier Trust ..	38	40
Royal Trust	65	..
Sherbrooke Tr. .	120	..
Sterling Trust ..	56	..
Trusts & Guar. ..	37	40
Victoria Trust ..	73	80
Waterloo Trust .	100	105
Brit. Amer.	50½	..
Canadian Fire ..	73	..

Insurance Stocks:	Bid	Ask.
Canada Life	380	
Confed. 30% pd.	125	132
Continental L. ..	..	31½
Crown Life	250	..
Dominion Fire ..	133	..
D. of Can. Gen. .	125	140
Dom. Life	175	..
Empire, 25% pd.	61	..
Excelsior 40% pd.	78	84
Great-West Life	250	..
Guar. N. Amer.	200	..
Halifax Fire	14½	16
Imperial Life ...	250	280
Manufac. Life ..	245	..
Monarch 20% pd.	35	40
Maritime Life ..	20	..
National Life ...	10	..
Sov. L. 25% pd. .	14½	..
Sun Life	300	330
Tor. General ...	4	5½
Western Assce. ..	43	47
Do., pref.	41	..
Western Life ...	11	..
Investment Trust Shares:		
Deb. & Sec., pf. .	76	..
Th. Can. Iv. Tr.	2½	3
Theatre Stocks:		
Allen's St. Cath. units	62½	..
Do., Kingston .	64	70
Do., Toronto, p.	34	..
Para. Kitch., p. .	48	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	85	..
Power Issues:		
Can. W. Nat. Gas	28	..
Do., pfd.	104	..
Gt. Lakes Pr., p.	111	..
N. B. Telephone .	11	11½

Unlisted Mines

Toronto, Dec. 21, 1943

	Bid	Ask.
Alba R (new)	.11	.12
Aljo	.24	.27
Algo Cop	..	.16
Amal Kir	.13¾	.14½
Amal Lar	.93	.97
Amicmica	.15	.18
Anna'que	.13	.16
Anoki	.08½	.09½
Area	.10½	.12
Arntfield	.06½	.07½
Athona	.02	.04
Banca	.50	.55
Bar Lar	.15½	.17
Brock	.15	.17
Calder Bo	.04	.05
Cen Mani	.03½	.04½
Cheminis	.19	.20½
Classic S	.18	.21
Clift Con	.10	.12
Cock R L	.10½	.11
Columbier	.12	.15
Con Chib	.09	.11
Crowshore	.03½	.05
Dack Crk	.11½	.12½
Demp Cad	.05	.05½
Detomac	.29	.34
Der R L	.18	.19
De Santis (new)	.06	.08
Dom Nick	..	.06
Dona Pat	.05½	.06½
Eastward	.22	.24
Electra	.10	.12
Enter Fi	1.45	..
Goodrock	.02½	.03
Gr Prair	.29	.33
G L Iron	.07	.09
Gunflint	.06	.07
Harp Mal	.05½	.06½
Hayes Cad	.03½	.04
Highridge	.08½	.11
Hoyle n'w	.15	.17
Hugh P P	.14	.14½
Laguerre	.24	.26
Lk Geneva	.06	..
Lar-Add	.07	.08½
Larder U	.10	.11
Largold	.14	.17
Legardo	.09½	.12
Magn Con	.24	.26
Marbenor	.23	.26
Mar Bird	.05½	.06½
Mat Con	.14	.16
Metalore	.06	.08
Mica Spar	.48	.52
Moffatt H (new)	.02½	.03½
Mosher	.10½	.11½
Moosew'd	.08½	.09½
McManus	.04½	.06
McMarma	.17½	.18½
Nat Mal	.31	.33
Naybob	.01½	.02½
New Aug	.20	.25
Nick Off	1.10	1.25
New Mal	.23	.24
Norbeau	.44	.48
Norbenite	.20	.22
Norseman	.09	.11
Obalski	.05	.07
Oklend	.06½	.07
O'L Mala	.09½	.10½
Opemiska	.06	.08
Orpit	.04	.05
Pascalis	.33	.34½
Pelangio	.06½	.07
Pontiac R (old)	.10	.12
Pt Coldw	..	.31
Presdor	.03½	.04½
Que Man	.17	.19
Rand Mal	.29½	.31
Raylartic	.10	.12
Rebair	.37	.42
Ritoria	.09	.10
S.A.G.A.	.80	1.00
Sheldon	.18	.20
Stadacona	.15	.17
Thomso L	.11	.13
Thurbois	.18	.20
Tom Iron	..	.60
Tombill	.11	.13
Tovarich	.08	.09
Un Mining	.07	.08
Virgo	.29	.31
Wesley	.02	.02½
West R L	.03½	.04½
West Shor	.03	.04
Y Davids	.31	.34

Oil Royalties

Producing Wells — Prices and Payments

	Nov. daily quota bbls.§	Mar. 15 daily quota bbls.§	July pay. 1% $	Aug. pay. 1% $	Sept. pay. 1% $	Total to Sept. 30 1% $	Offering price* per 1% $
Ace No. 1 gross	300	388	140.37	147.67	128.91	5,563.95	....
Alta. Oil Inc. No. 1 gr. ..	50	65	27.60	26.00	22.40	3,868.00	....
Do., No. 1 net	50	65	20.40	21.20	17.20	4,344.40	....
Do., No. 2 gr.	290	389	132.60	137.60	136.40	5,661.80	....
Do., No. 2 net	290	380	98.40	96.40	97.60	7,013.40	2,000
Allied No. 1 pfd.	75	93	35.27	37.51	39.32	1,861.87	1,000
Arrow No. 1 net	120	135	18.00	41.00	42.00	1,139.12	1,200
Do., No. 2 net	150	170	51.00	57.00	51.00	2,042.20	1,600
Atlas No. 1 net pfd.	75	...	36.00	17.00	36.80	......	1,200
Atlas-Br. D. No. 2 net ...	370	450	199.20	150.00	130.40	......	....
Atlas-Br. D. No. 3 pfd. ..	315	430	63.60	182.80	173.20	......	5,200
East Crest No. 5	115	115	46.40	50.40	48.40	872.40	1,700
Empire pfd.■	....	...	....	....	....	......	1,100
Independent No. 1 pfd. ..	180	200	102.74	106.43	86.14	......	2,600
Do., No. 1 gr.	180	200	94.34	94.43	75.17	2,993.62	....
Major Oil No. 1 pfd.	65	95	13.60	53.20	26.80	1,149.30	....
Do., No. 1 gr.	65	95	22.40	46.40	23.60	1,975.00	....
Do., No. 2 net	280	350	104.40	103.60	90.40	5,775.20	3,200
Do., No. 2 gr.	280	350	144.40	138.80	130.80	7,498.20	4,700
Do., No. 3 net	400	588	168.80	168.00	144.00	8,139.60	4,800
Do., No. 3 gr.	400	588	223.60	223.60	192.00	......	....
Do., No. 4 pfd.	70	125	....	35.60	42.00	......	1,200
Do., No. 4 gr.	70	125	19.20	32.80	38.40	......	....
Do., No. 6 pfd.	†	...	....	....	....	......	1,200
Do., No. 6 gr.	†	...	....	....	....	......	4,800
Do., No. 7 pfd.	330	500	193.60	225.20	194.40	2,984.00	5,100
Do., No. 7 gr.	330	...	168.80	196.40	168.00	......	6,300
Do., No. 7 dfd.	330	500	....	....	....	......	4,300
Do., No. 8 pfd.	165	225	108.40	114.40	93.60	1,214.00	2,900
Do., No. 8 gr.	165	225	84.40	121.60	68.40	1,506.40	....
Do., No. 8 dfd.	165	225	....	....	....	......	1,300
Do., No. 9 gr.	250	320	96.80	124.40	133.60	2,428.20	4,300
Do., No. 9 pfd.	250	320	99.60	129.60	154.00	1,163.60	3,900
Do., No. 9 dfd.	250	320	....	....	....	......	1,300
Maryland, pfd.	95	...	....	....	....	......	1,000
Miracle No. 1 net	280	300	103.60	91.05	84.47	5,914.85	2,800
Do., No. 1 gr.	280	300	143.09	142.40	126.00	6,063.59	4,500
Do., No. 2 pfd.	135	200	71.11	65.44	62.71	......	1,900
Do., No. 2 gr.	135	200	62.61	62.40	66.40	1,636.18	....
Miracle No. 3 pfd.	260	...	....	....	....	......	2,500
Do., No. 3 gr.	260	...	138.62	145.66	....	......	5,000
National Vulcan	150	...	....	....	....	......	2,500
Twin City No. 2 gr.	165	...	93.47	84.99	77.70	......	....

* Approximately 25% over dealers' bid price.
§ Approximate.
† Testing. ■ Ontario Acreage Royalty.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 21	12,200	10,800	267,000	......
Dec. 20	16,400	18,400	280,000	......
Dec. 18	6,900	5,200	181,000	3,845
Dec. 17	11,100	17,400	316,000	......
Dec. 16	9,100	2,300	305,000	23,395
Dec. 15	11,300	11,500	182,000	16,697

Annual Meetings

Company	Place
1943	
Dec. 29—Brantford Cordage ...	Brantford
Dec. 29—Command Oils* ...	Calgary, Alta.
Dec. 29—Pacalta Oils	Toronto
Dec. 30—Beatty Bros.	Fergus, Ont.
Dec. 20—Guar. Trust of Can.* ..	Windsor
1944	
Jan. 8—Banque Can. Nationale	Montreal
Jan. 12—Kelvinator of Can. ..	London, Ont.
Jan. 13—Montreal Telegraph ..	Montreal
Jan. 13—Provincial Bank	Montreal
Jan. 13—Royal Bank	Montreal
Jan. 18—Asbestos Corp.*	Montreal
Jan. 19—Bank of Toronto	Toronto
Jan. 27—Natl. Sewer Pipe	Toronto

* Special general.

Bond Redemptions

Bond Issues—	Rate	Year	Due	Price
Eastern Car	*6%	1952	Jan. 1	105
Gt. Lakes Pwr.†	5%	1957	Feb. 4	103.89
Nfld. L.&Pr.‡	4½%	1956	Jan. 1	102
Price Bros. ...	4%	1957	Mar. 1	100
Atlantic Sugar	•4%	1951	Mar. 1	102

* $57,800. † $20,000. ‡$20,000. • $62,000.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.55	$11.47	$10.75
Hogs	17.10	17.10	16.55
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1998	.2001	.2038
Sugar, raw, lb. ..	*.0374	.0374	.0374
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.8	102.6	100.1
Dow Jones (fut.) ..	95.64	94.55	86.27
Fishers'	111.4	111.1	108.2
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.) ..	119.4	119.3	118.6
W'sale (Oct.) ..	101.9	101.2	96.6
U. S. (Sept.)	103.1	103.1	99.6
Gr. Brit. (Sept.) ..	162.9	162.2	159.1

Note—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

Municipal Bonds

Dec. 21, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax ...	5	1961	116.00	119.00	3.56
Hamilton .	5	1950	110.00	113.00	2.77
Montreal ..	5	1945	98.00	102.00	*
Ottawa ...	4½	1945	102.00	104.00	2.00
†Quebec ...	5	1959	116.00	119.00	3.42
Saint John	5	1950	106.25	109.25	3.50
†Toronto ...	4½	1955	124.50	127.50	1.74
†Vancouver..	5	1970	116.00	119.00	3.83
Winnipeg..	6	1950	115.00	117.00	2.63

†Payable Can. & N.Y. *Flat.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 21, 1943

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 21	Ask.	Bid Dec. 14
▲Alg. Cen. H.B.R.	5	'59	33½	36½	34½
†Assoc. Tel. & T.	5½	'55	92	95	92
B. C. Power ...	4½	'60	101½	103½	101½
B. C. Tel.	4½	'61	108½	110½	108½
†Calgary Pwr. ..	5	'60	112½	114½	112½
Do.	5	'64	107½	110½	107½
†Can. Nor. Pwr. .	5	'53	109½	111½	109½
*Dom. Gas & El..	6½	'45	110½	112	110½
Gatineau Pwr. .	5	'49	101½	104	101½
*Do., A	3¾	'69	106½	108½	105½
▲Do., B	3¾	'69	101	103	101
Gt. Lakes Pwr..	4½	'56	102	104	102
Do.	5	'57	102½	104½	102½
*Int. Hydro-El. ..	6	'44	60	63	57½
L. St. Law. Pwr.	5	'55	101	..	101
Macl'n-Que. Pr..	4	'59	101½	104	101½
Mtl. L. H. & Pr.	3½	'56	104½	106½	103½
Do.	3½	'73	101½	103½	101½
Do.	3½	'63	101½	103½	101½
†Mtl. Tramways .	5	'51	104	106	104½
†Do.	5	'55	90½	93	90
Nat. Lt. & Pwr.	4½	'61	101	103½	101
N. S. Lt. & Pr. .	4	'57	102½	105	102½
Ottawa L.H.&P.	4	'57	102	104½	102
Ottawa V. Pwr..	5	'59	102	104½	102
†Power Corp. ...	4½	'59	101	103½	101
Quebec Pwr. ...	4	'62	103	105	103
*Saguenay P., A	4½	'66	115½	117½	114½
▲Do., B	4½	'66	104	107	104
St. Maurice Pr. .	4½	'70	102½	104½	102
Shaw. W. & Pr.	4	'61	102½	105	102
†Do.	4½	'70	113½	115½	113
Do.	4	'69	102½	105	102½
Union Gas	4½	'50	100½	103	100½
*Twin C. R. Tr. .	5½	'52	105	107	104½
†United Secs. ...	3	'52	94	97	94
‡Wpg. El., ser.A	5	'65	97½	100½	97½
Do., B	5	'65	95½	98½	95½
Industrial and Realty Issues:					
†Abitibi P. & P. .	5	'53	75	78	73
Do., C.O.D. ..	5	'53	75	78	73
Acadia Sugar ..	4½	'55	101	103½	101
Do.	6	'54	101	103	101½
†Alta. Pac. Grain	6	'46	105	107	105
Algoma Steel ...	5	'48	103	105½	103
Atlantic Sugar .	4	'51	101½	..	101½
†B. C. Pulp & P.	6	'50	98	100½	98
‡†Do.	7	'50	82½	85½	82
*Brown Co.	5	'59	81½	84½	81
Burns & Co.	5	'58	83½	86½	82½
Canada Cement.	4½	'51	102½	105	102½
Canada Electric.	4½	'65	99	102	99
Can. Paper	4½	'52	99½	102½	99½
Can. Steamship.	5	'57	104	106	104
Can. Canners ..	4	'51	102	104	102
*Can. Int. Paper .	6	'49	109½	111½	109½
‡Can. Locomotive	6	'53	105	..	103
‡†Candn. Vickers	6	'47	96½	99½	96½
C. P. R.	3½	'51	102	104½	102
Do.	4	'49	104½	106½	104½
†Consol. Paper ..	5½	'61	87	90	86
Dom. Coal	4½	'52	100	102½	100½
Dom. Scott. Inv.	4	'52	100	103	100
Dom. Stl. & C. .	6½	'55	105½	108	105
Dom. Tar	4½	'51	102½	105	102½
Dom. Woollens .	6	'53	99½	102	99½
†Donnacona Pap.	4½	'56	89	92	88
*Dryden Pap. ...	6	'49	104	..	104
†East. Dairies ...	6	'49	95	98	96½
Famous Players.	4½	'51	103	105	103
†Federal Grain ..	6	'49	106½	108½	106½
†Fraser Cos.	6	'50	104½	106½	104½
Galt Brass	5	'50	96	..	96
Gen. Stl. Wares	4½	'52	101½	104	101½
*Great L. Paper .	5	'55	100½	103½	101
*Gurney Fdry. ..	5½	'49	96	99	96
†Gypsum Lime .	5½	'48	105	107	105
Ham. By-Pr. C.	5	'55	102½	105	102½
Do.	6	'56	102	104½	102
Ham. Cotton .	3	1944-'53	98	100	98
Inter-City Bak..	5½	'48	102	104	102
Indust. Accept. .	4	'52	97	100	96½
Ins. Ex. Bldg. ..	3	'51	57	60	57
*Inter. P. Nfld. ..	5	'68	101	103	101
*Inv. Bond & Sh.	5	'47	54	57	54
†Kingston Elev..	6	'50	105	..	105
Lake St. J. P. ..	5½	'61	95	98	95
Do.	5	'61	76	79	75½
Legare	6	'61	97	100	97
Maple L. M.	3	'58	101	103	100½
Man. Sugar	5	'60	105	107	105
Massey-Harris .	4½	'54	101½	104	102
McColl-Fron. ..	4½	'49	102½	105	102
McCormicks ...	4	'52	101	103½	101
Do.	4½	'52	101½	104	101½
Mercury Mills .	5	'59	101½	104	101½
Mersey Paper ..	5	'57	98	101	98
†Do.	6	'49	98½	101½	98½
*M. & O. Paper .	5	'60	109	111	109
Moirs Ltd.	6	'53	96	..	95

Corporation Bonds (Cont'd)

‡Mtrl. Drydocks	6	'48	95	97½	95
Montreal Apts. .	4	'54	63	66	61½
N. S. Stl. Coal	3½	'63	87	90	87
Price Bros.	5	'57	102½	104½	102
Do.	4	'57	100	101	100
*Prov. Paper ...	5½	'47	104½	..	104½
Reliance Grain .	4½	'52	100	103	100
†Restigouche Co.	6	'48	104½	106½	104½
Rolland Paper ..	4½	'51	101½	103½	101½
Ruddy, E. L. ...	6½	'48	99½	102	100
Silv. Dairies ...	6	'66	99	102	99
Simpsons, Ltd. .	4½	'51	102½	105	102
Smith, Howard .	4½	'51	102½	105	102
Stand. Lime	6	'44	99	..	99
Sterling Coal ..	6	'45	100	102	100
United Amuse. .	5	'56	102	..	102
United Corp. ..	4	'58	97	100	97
*United Gas ...	5½	'48	108	..	107½
United Gr. Grs.	4½	'58	100	102	100
†Western Grain .	5	'63	86½	89½	87

*Payable in Can. or U. S.
†Payable in Can., U. S or U. K.
*Payable in U. S.
▲Payable in Canada only.
‡Traded without accrued interest.
▲Payable in Canada or U. K.

Wheat Prices

Winnipeg Grain Futures

Week of Dec. 20, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Dec. 20
Oats*					
.51½	.51½	Dec.	.51½	.51½	.51½
.51½	.51½	May	.51½	.51½	.51½
Barley*					
.64¾	.64¾	Dec.	.64¾	.64¾	.64¾
.64¾	.64¾	May	.64¾	.64¾	.64¾
Rye.					
1.22⅝	.90⅝	Dec.	1.22⅝	1.18½	1.22⅝
1.24¼	.92⅛	May	1.24¼	1.20¼	1.23⅞
1.23⅛	1.08⅛	July	1.23⅛	1.18⅞	1.22⅝

* At ceiling.

Cash Quotations

For Week Dec. 20, 1943

	High	Low	Prev. week High	Low
Oats*:				
2 C. W. .	.51½	.51½	.51½	.51½
3 C. W. .	.51½	.51½	.51½	.51½
Barley*:				
1 Feed .	.64¾	.64¾	.64¾	.64¾
2 Feed .	.64¾	.64¾	.64¾	.64¾
Rye:				
3 C. W. .	1.22⅝	1.19¼	1.19⅝	1.18⅝

* At ceiling prices.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 14	Banks 8	Total utilities 18
***1935 to date:** (Base 1935-39=100)											
High	134.5	234.4	149.7	123.7	135.7	118.3	150.0	153.4	146.8	118.2	145.0
Low	69.7	51.6	61.2	41.2	78.4	73.5	79.3	68.7	60.2	69.0	65.3
1943: Monthly Figures:											
Jan.	90.3	75.3	82.4	62.9	114.3	88.2	109.7	84.0	88.5	76.7	90.0
Feb.	94.0	75.8	88.3	67.2	117.4	88.1	111.8	85.0	88.0	78.6	88.0
Mar.	96.7	77.1	89.5	65.6	118.1	81.6	113.9	85.3	88.6	80.2	92.1
April	100.8	79.6	93.3	67.7	121.1	87.4	128.2	89.5	95.8	80.9	101.4
May	104.0	89.3	91.6	67.9	119.9	88.7	128.1	91.4	101.0	80.5	106.2
June	108.6	94.7	96.0	73.2	124.0	89.4	133.5	93.1	111.1	81.4	111.1
July	110.5	106.8	94.1	84.9	126.0	91.5	137.9	94.5	111.3	81.7	112.4
Aug.	109.4	104.8	92.2	82.1	125.9	93.4	138.0	93.3	109.0	82.7	109.5
Sept.	111.4	104.7	91.9	83.5	126.1	93.4	138.5	92.6	110.8	82.6	110.3
Oct.	110.8	103.0	88.2	81.0	124.8	93.6	143.9	90.8	102.3	81.3	104.3
1943: Weekly Figures:											
Nov. 4 ..	107.5	99.9	91.5	77.2	123.3	93.0	144.7	88.5	95.8	80.4	97.1
Nov. 11 ..	104.0	99.2	89.3	74.3	120.7	91.3	142.2	87.0	91.3	80.1	94.8
Nov. 18 ..	101.8	93.3	89.5	73.1	119.9	90.2	138.3	84.0	88.4	80.0	91.6
Nov. 25 ..	102.8	94.7	89.1	74.5	119.2	89.6	142.8	83.3	88.3	80.3	92.1
Oct. 14 ..	111.6	103.6	85.0	72.9	118.6	89.5	143.1	83.3	93.0	78.7	95.0
Dec. 9 ..	104.5	100.5	88.0	74.9	119.4	88.1	143.0	83.9	92.8	79.1	96.3
Dec. 16 ..	106.1	103.2	90.1	73.4	119.6	87.8	151.6	84.3	93.0	79.0	96.2

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	13 W.O.
Dec. 21 ...	117.14	97.67	68.67	26.13
Dec. 20 ...	117.15	97.52	68.55	26.19
Dec. 18 ...	117.40	96.80	68.76	26.22
Dec. 17 ...	117.36	96.73	68.68	26.33
Dec. 16 ...	117.67	97.09	68.97	26.26
Dec. 15 ...	117.47	97.64	68.90	26.26
Month ago	116.67	95.81	68.83	26.83
Year ago .	98.44	66.89	62.79	17.93
High 1943	124.66	100.99	76.40	28.61
Low 1943 .	98.88	70.64	63.57	18.14

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.
Dec. 21 ..	52.7	74.5	67.2	114.50
Dec. 20 ...	52.9	74.3	67.2	115.36
Dec. 18 ..	52.9	74.2	67.1	114.59
Dec. 17 ..	53.1	74.1	67.1	114.65
Dec. 16 ..	53.3	73.9	67.0	114.22
Dec. 15 ..	53.5	73.8	67.0	113.48
Month ago	52.6	71.7	65.3	102.26
Year ago.	50.9	63.5	59.3	75.31
High 1943	63.5	82.4	75.9	129.86
Low 1943.	51.8	63.4	59.5	74.07

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Dec. 20 Bid	Ask
Shawkey	...	.02	.02	.02½
So. Amer. Gold ...	.20	4.15	..	..
Sturgeon River	...	.17	.18	.20
Sudbury Basin	...	2.00	2.00	2.25
Sudbury Contact .	...	.03	.03½	.04
Sunloch	...	.27	..	.25
Surf. Inlet	...	.05½	.05½	.06½
Taylor Bridge	...	.04	.04	.05
Uchi Bonds	...	32.00	29.00	32.00
Wellington	...	.01½	.00½	.01½
Wiltsey Coughlan .	...	.02½	.03	.04½

Oil Stocks

	Div. rate $	Last sale	Dec. 20 Bid	Ask
Acme Gas & Oil ..	...	.07	.07½	.10
Anaconda	...	.04½	..	..
Brown Oil, debs. .	2½%	30.00	..	30.00
Calmont	...	.22	.22	.24
Commoil	†.01½	.22	.22	..
Grease Creek	...	.02½	.01	..
High Sarcee	...	.11	.11	.15
Madison	...	.02	.01½	.03
Marvel	...	.01	.01	.05
Mill City	†.03	.06	.06½	..
Model	†.02	.25	.21	.25
Oil Selections	...	.03	.02½	.03½
Petrol Oil & Gas ..	.02	.20	..	..
Royal Crest	.01	.01½	..	..
Royalite	1.00	21.50	20.50	22.00
South West Pete ..	...	.27	.24	.35
Spooner	...	.07	.06½	.10
Sunset	.02½	.07½	.07	.08
Texas Can.	...	1.00	1.10	1.50
Vanalta	...	.07½	.07½	.08½
Vulcan	...	.20	.18½	..

† Paid in 1943.

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

December 21, 1943

Miscellaneous Stocks:	Bid	Ask.
*Acme Farmers, pf.	87	..
Allens Lond. Thea.. pfd.	45	..
Atlas Steels, 7% 2nd pf.	107	..
Brantford Roofing, c.	5½	..
Brinton-Peterboro Cpt.	50	60
Can. Co-op. Wool.	8½	10
Can. Fairbanks, com.	20	..
Can Investors Corp.	5½	6½
Can. Paving 1st pfd.	1½	..
Can. West. Lumber, c.	.50	..
Cap. Wirecloth, com.	5½	6½
Cawthra Apts. pfd	3	..
*Claude Neon, 7% pfd.	7½	..
Commer. Life 10% pd.	6	..
Eastern Steel 5% pref.	20½	21½
†Easy Wash., 7% pref.	10½	11½
Fed. F'dries & Steel, c.	.12	.17
Highland Dairy, c.	1	..
Homewood Sanitarium	85	..
Hudson's Bay Ord	8½	..
Insce. Exch. Bldg. c.	1	1½
Inter. Util. $3.50 pf.	47	50½
Milton Brick, com	.08	.15
*Monarch Mtge. units	1½	..
Natl. Drug & Chem., p.	2½	..
Do., com.	1½	2
Nat. Hosiery, com.	.95	..
Do., pref.	1.10	..
†Nor. Amer. Elev. 1st pf.	80½	85
*Do., 2nd pref.	25	29
Do., com.	.25	.50
Nor. Telephone, c.	1	..
Numaque Mining	.05	..
Pacific Coast Terminals	6	..
Quebec Apt's., com.	1½	..
Que. Pulp & Paper pfd.	26	27½
Ritchie Cut Stone pfd	1½	4
P. L. Robertson Mfg. c.	24	..
Do., $2.50 pref.	43½	45½
E. L. Ruddy, pref.	25	..
Sawyer-Massey com.	.50	.80
St. John Dryd. 5½% pfd.	96½	99
Sincennes McN.., com.	2	2½
Un. Farmers Co-op.	3	3½
Waterloo Mfg.. com.	3½	4½
Wentworth Radio, pf.	16½	..
York Trading, com.	3½	4½

*Issue carries arrears.
†Currently paying on arrears.

Bond Tenders

5 p.m. Jan. 3, Cap de la Madeleine, P.Q.—$35,000, 3½% dated Jan. 3, 1944, redeemable serially from Jan., 1945 to 1964. F. Beaumier, clerk.

Dividends Declared

	This payment $	Date payable	Date of record
Algoma Steel, pfd.	2.50	Jan. 1	Dec. 1
Amal. Electric	.30	Jan. 2	Nov. 30
Alum. of Can., p.	1.25	Feb. 1	Jan. 5
Agnew Surp. pfd.	1.75	Jan. 3	Nov. 30
Am. Cyan. A. B.	‡†.15	Jan. 3	Dec. 11
Do., pref.	†.12	Jan. 3	Dec. 11
Assoc. Brew., c.	.75	Dec. 31	Nov. 30
Acme Glove, pfd.	3.25	Jan. 3	Dec. 18
Anglo Huronian	.10	Jan. 21	Dec. 15
Bathurst Pwr. "A"	.25	Mar. 1	Jan. 28
Barber Ellis, pfd.	1.75	Jan. 15	Dec. 31
Bell Telephone	2	Jan. 15	Dec. 23
Biltmore Hats	.15	Jan. 15	Dec. 31
Bralorne Mines	.20+.10	Jan. 15	Dec. 20
Brazilian Tr., pfd.	1.50	Jan. 3	Dec. 15
Beatty Bros. (A)	.37	Jan. 3	Dec. 15
Do., (B)	●.12½	Jan. 3	Dec. 15
Do., pref.	3.50	Jan. 3	Dec. 15
Bk. of Nova Scotia	2.50	Jan. 3	Dec. 16
Belding Cort.	1	Jan. 3	Nov. 30
Do., pref.	1.75	Jan. 3	Nov. 30
Blue Top Brew. A	.30	Dec. 31	Dec. 15
Brit. Amer. Oil	.25	Jan. 3	Dec. 3
B. C. Power, A.	.50	Jan. 15	Dec. 31
Burlington Steel	.15	Jan. 3	Dec. 10
B. C. El. Pr. & Gas, p.	1.50	Jan. 3	Dec. 20
Brantford Cord. p.	.32½	Jan. 15	Dec. 20
Building Products	.15	Jan. 3	Dec. 15
Brown Oil debs.	2½%	Jan. 1	Dec. 18
Canada Starch	■.50	Jan. 15	Jan. 8
Do., pref.	■3.50	Feb. 15	Feb. 8
Canada Trust	3	Jan. 2	Dec. 15
Canada Bread, pfd.	1.50	Jan. 3	Dec. 13
Do., 2nd pref.	.62½	Jan. 3	Dec. 13
Carnation, pref.	†1	Jan. 3	Dec. 14
Cons. Bakeries, ord.	.20	Jan. 3	Dec. 10
Can. Fire Ins.	2	Jan. 3	Dec. 20
Can. Indemnity	4	Jan. 3	Dec. 20
Can. Light & Pr.	.50	Jan. 15	Dec. 24
Can. Steamships, pf.	1.25	Jan. 3	Dec. 1
Can. Cycle	.30+.20	Dec. 27	Dec. 10
Do., pref.	1.25	Dec. 27	Dec. 10
Can. Perm. Mtge.	2	Jan. 3	Nov. 15
Can. Cottons	1.50	Jan. 3	Dec. 3
Do., pref.	1.50	Jan. 3	Dec. 3
Canada Packers	1	Jan. 3	Dec. 1
Can. Gen. Invest.	.15	Jan. 15	Dec. 31
Can. Indust. A. B.	1.50	Dec. 27	Dec. 16
Do., pref.	1.75	Jan. 15	Dec. 15
Can. Pac. Rly., pfd.	2%	Feb. 1	Dec. 31
Can. Gen. Electric	2	Jan. 3	Dec. 15
Can. Nor. Power	■.15	Jan. 25	Dec. 20
Do., pref.	■1.75	Jan. 15	Dec. 20
Can. Fairbanks, pfd.	1.50	Jan. 15	Dec. 31
Can. For. Invest. pf.	■2	Jan. 1	Dec. 1
Can. Bronze	.37½+.50	Feb. 1	Jan. 10
Do., pref.	1.25	Feb. 1	Jan. 10
Can. Canners	.12½	Jan. 3	Dec. 15
Do., 1st pref.	.25+.05	Jan. 3	Dec. 15
Do., 2nd pref.	.15+.05	Jan. 3	Dec. 15
Can. Celanese	.25+.25	Dec. 31	Dec. 17
Do., pref.	1.75	Dec. 31	Dec. 17
Do., inc. fd. rts.	1	Mar. 15	Dec. 31
Can. Converters	.50	Jan. 31	Dec. 15
Can. Ing. Rand	.75	Dec. 22	Dec. 17
Canadian Oil, pfd.	2	Jan. 3	Dec. 20
Can. Westinghouse	■.50	Jan. 1	Dec. 15
Can. Wire Box	.37½	Jan. 3	Dec. 10
Can. Breweries, pfd	.85	Jan. 1	Nov. 15
Can. & For. Secs.	.06	Feb. 1	Jan. 17
Can. Food Prod.	.50	Apr. 1	Feb. 29
Can. Food Prod.	.50	Jan. 1	Nov. 30
Candn. Car. pfd.	.53	Jan. 10	Dec. 21
Cochenour Williams	.03	Jan. 15	Dec. 20
Consumers' Gas	2	Jan. 3	Dec. 15
Central Can. Loan	2	Jan. 3	Dec. 18
Comm. Alcohol	.05	Jan. 15	Dec. 31
Do., pref.	.10	Jan. 15	Dec. 31
Cen. Pat. Gold	.03	Jan. 3	Nov. 30
Chartered Trust	1	Jan. 3	Dec. 15
Cons. Smelters	.50+.75	Dec. 31	Dec. 1
Carnation Co. c.	†.50	Jan. 3	Dec. 14
Celanese of Amer.	†.50	Dec. 31	Dec. 17
Do., 5% pr. pf.	†1.25	Jan. 1	Dec. 17
Do., 7% pr. pfd.	†1.75	Jan. 1	Dec. 17
Do., 2nd pf.	†1.75	Jan.	Dec. 17
Dom. Oilcloth	.30+.10	Jan. 28	Dec. 27
Dom. Glass	1.75	Jan. 15	Dec. 28
Do., pref.	1.25	Jan. 15	Dec. 28
David & Frere A	1.25	Dec. 31	Dec. 15
Distill.-Seag., pfd.	†1.25	Feb. 1	Jan. 15
Do., pref.	†1.25	Feb. 1	Jan. 15
Dom. Foundries	.35	Jan. 3	Dec. 10
Dom. Textile	1.25	Jan. 3	Dec. 3
Do., pref.	1.75	Jan. 15	Dec. 15
Dome Mines	■.40	Jan. 29	Dec. 30
Dominion Bank	2	Feb. 1	Jan. 15
Dom. Envelope, c.	.10	June 1	May 20
Do.	.10	Dec. 1, '44	Nov. 20
Dom. Coal pfd.	▲1.88	Jan. 2	Dec. 10
Dom. Stores	.10	Dec. 20	Nov. 24
Dom. Woollens, pfd.	.60	Jan. 3	Dec. 8
Dunlop Tire	.50	Jan. 3	Dec. 15
Dunlop Tire, pf.	.62½	Dec. 21	Dec. 15
Easy Wash., c.	.50	Jan. 3	Dec. 20
Do., pref.	.17½	Jan. 3	Dec. 20
East. Bakeries, pfd.	1	Jan. 15	Dec. 31
Eastern Trust	2	Jan. 1	Dec. 20
Foundation Co.	.35	Jan. 21	Dec. 31
Famous Players	.50	Dec. 31	Dec. 15
Freiman, A. J., pfd.	1.50	Jan. 1	Dec. 15
Goderich Elev.	.25+.25	Jan. 3	Dec. 15
Goulds Pumps, pfd.	†1.75	Dec. 28	Dec. 18
Goodyear Tire	.63+1	Dec. 31	Dec. 15
Do., pref.	.62½	Dec. 31	Dec. 15
Granby El. Web., c.	.25	Dec. 29	Dec. 15
Gt. West Life	3.75	Jan. 3	Dec. 20
Gt. Lakes Pap. A, B. p.	.75	Dec. 31	Dec. 1
Gat. Pwr.	.20	Dec. 31	Dec. 1
Do., 5½% pref.	1.38	Jan. 1	Dec. 1
Do., 5% pref.	1.25	Jan. 1	Dec. 1
Gt. West. Sadd. pref.	.75	Dec. 31	Dec. 2
Do., 2nd pref.	.75	Dec. 31	Dec. 2
Greening Wire	.15	Jan. 3	Dec. 1
Guaranty Trust	1.25	Jan. 15	Dec. 31
General Trust, pfd.	1.25	Jan. 15	Dec. 31
Guar. of N. Am.	1.50+2.50	Jan. 15	Dec. 31
Hunt's, A. B	.50	Jan. 3	Dec. 6
H. Smith Paper, pfd.	1.50	Jan. 20	Dec. 31
Ham. Un. Theat. p.	1.25	Dec. 31	Dec. 15
Huron E. Mtge.	1%	Jan. 3	Dec. 15
Hudson's Bay, pfd.	2½%	Jan. 1	Dec. 31
Harding Carpet	.10	Jan.	Dec. 15
Hollinger Cons.	.05	Dec. 31	Dec. 16
Holt-Renfrew, pfd.	3.50	Jan. 15	Dec. 31
Imperial Bank	2	Feb. 1	Dec. 31
Indust. Mtge. Tr.	1+.50	Jan. 2	Dec. 15
Inter. C. Baking	.75	Dec. 28	Dec. 14
Indust. Accept. A	.50	Dec. 31	Nov. 30
Do., pref.	1.25	Dec. 31	Nov. 30
Inter. Nickel, c.	†.50	Dec. 31	Dec. 1
Imp. Tob. ord.	.10	Dec. 31	Nov. 16
Inter. Power, pfd.	1.75	Jan. 3	Dec. 10
Invest. Found.	●.25	Jan. 15	Dec. 15
Do., pref.	.75	Jan. 15	Dec. 15
Int. Metal	.25	Jan. 3	Dec. 10
Do., pfd. A pfd.	1.50	Feb. 1	Jan. 10
Inspiration M.	■.02	Jan. 15	Dec. 10
Inter. Paints, pf.	1+.50	Jan. 12	Dec. 11
Intercol. Coal	1	Jan. 3	Dec. 18
Do., pref.	4	Jan. 3	Dec. 18
Intern. Bronze	.20	Jan. 15	Dec. 15
Do., pref.	.37½	Jan. 15	Dec. 15
Intern. Nickel, pfd.	†1.75	Feb. 1	Jan. 3
Inter. Milling 5% pf.	†1	Jan. 15	Dec. 31
Do., 4% pfd.	†1	Jan. 15	Dec. 31
Inter. Util. pr. pfd.	†.87½	Feb. 1	Jan. 21
Jam. Pub. Service	.17	Jan. 3	Nov. 30
Do., pref.	1.75	Jan. 3	Nov. 30
Kerr-Addison G.	.08	Dec. 30	Nov. 30
Lake Dufault	■.02	Jan. 15	Jan. 5
Landed Banking	1	Jan. 3	Dec. 15
Lambton Trust	1.50	Dec. 31	Dec. 15
Lamaque Gold	.10	Feb. 1	Dec. 31
Lang, J. A.	.17½	Jan. 3	Dec. 10
Levy Bros.	.40	Dec. 27	Dec. 15
Lambton Loan	1+.50	Jan. 3	Dec. 15
Loblaw Groc. Inc.	†.15	Feb. 25	Feb. 11
Little Long Lac	■.04	Dec. 30	Dec. 10
Monarch Life	12%	Jan. 3	Dec. 17
Mtl. C. & D. Bank	3+1	Jan. 3	Dec. 15
MacL.-Cockshutt	.05	Dec. 30	Dec. 15
Marcus Loew's, pfd.	1.75	Dec. 31	Dec. 17
Mod. Containers	.30	Jan. 3	Dec. 20
Do., pref.	1.37½	Jan. 3	Dec. 20
Montreal Tele.	*.48	Jan. 15	Dec. 15
Murphy Paint	.50	Jan. 1	Dec. 10
Do., pref.	1.37½	Jan. 1	Dec. 10
Maritime Tel.	.17½	Jan. 15	Dec. 20
Do., pref.	.17½	Jan. 15	Dec. 20
Midland Loan	.40	Jan. 2	Dec. 15
McColl Fron., pfd.	■1.50	Jan. 15	Dec. 31
Melchers Distil., pf.	.30	Jan. 17	Dec. 15
McIntyre Porc.	1.11	Jan. 3	Nov. 1
Moneta Porc.	.02	Jan. 15	Dec. 22
Moore Corp.	.55½	Jan. 3	Dec. 1
Do., extra	.66½	Jan. 3	Dec. 1
Do., pref. A B	†1.75	Jan. 3	Dec. 1
McColl Fron. c.	.15	Jan. 31	Dec. 31
McManus Pete. p.	.30	Jan. 3	Dec. 26
Mtl. L. H. Pr.	.38	Jan. 31	Dec. 31
Nat. Grocers, pfd.	.37½	Jan. 1	Dec. 7
National Brew.	.50	Jan. 3	Dec. 3
Do., pref.	.43	Jan. 3	Dec. 3
Nat. Steel Car.	.25	Jan. 15	Dec. 15
National Trust	2	Jan. 3	Dec. 15
National Biscuit, c.	†.30	Jan. 15	Dec. 10
Niag. W. Weav.	.25	Dec. 31	Dec. 1
North Star Oil, pfd.	.08¾	Jan. 2	Dec. 6
Nor. Ont. Pwr.	.12	Jan. 25	Dec. 31
Do., pref.	1.50	Jan. 25	Dec. 31
N. S. Lt. & Pr., ord.	1.25	Jan. 3	Dec. 15
Ottawa L. & Pr.	.15	Jan. 1	Nov. 10
Ontario Loan	1.25	Jan. 3	Dec. 15
Ottawa Elec. Rly.	.50	Jan. 3	Dec. 1
Ogilvie Flour, c.	.25	Jan. 3	Nov. 26
Do., pref.	1.25	Jan. 1	Nov. 10
Ont. Steel Prod.	.25	Feb. 15	Jan. 15
Do., pref.	1.75	Feb. 15	Jan. 15
O'Brien Gold	.04	Jan. 29	Jan. 3
Page Hersey T.	1.25	Jan. 2	Dec. 15
Para. Pictures.	†.40	Dec. 29	Dec. 15
Preston E. Dome	.05	Jan. 15	Dec. 15
Paymaster Cons.	■.01	Jan. 10	Dec. 10
Pickle Crow G.	.05	Dec. 31	Nov. 30
Power Corp., pfd.	■1.50	Jan. 15	Dec. 20
Do., 2nd pref.	■.75	Jan. 15	Dec. 20
Price Bros., pfd.	1.37½	Jan. 1	Nov. 30
Perron Gold	■.02	Dec. 31	Dec. 1
Proprietary M.	.08	Jan. 7	Dec. 7
Porto Rico Pr., p.	1.75	Jan. 3	Dec. 10
Premier Gold	.01	Jan. 15	Dec. 10
Prov. Paper, pfd.	1.75	Jan. 3	Dec. 15
Quebec Power	.25	Feb. 25	Jan. 25
Remington Rand.	†.30	Jan. 2	Dec. 10
Do., pref.	†1.12½	Jan. 2	Dec. 10
Real Est. Loan	1	Jan. 2	Dec. 15
Riverside Silk	.50	Jan. 3	Dec. 10
Rolland Paper	.15	Feb. 15	Feb. 5
Do., pref.	1.50	Mar. 1	Feb. 15
Russell Indust.	.20	Dec. 27	Dec. 10
Do., pref.	1.75	Dec. 27	Dec. 10
Robin J. & Whit., pf.	3	Jan. 3	Dec. 15
Sangamo	.55	Dec. 23	Dec. 21
Sarnia Bridge	●.50+.15	Dec. 28	Dec. 18
Sigma Gold	■.30	Jan. 28	Dec. 28
South Can. Pwr., c.	.20	Feb. 15	Jan. 20
Sylvanite Gold	.03	Jan. 15	Nov. 15
Do., pref.	■1.50	Jan. 15	Dec. 20
Stedman Bros.	.15	Jan. 3	Dec. 20
Do., pref.	.75	Jan. 3	Dec. 20
St. Law. Corp. pf.	.25	Jan. 15	Dec. 27
St. Law. Paper, pfd.	.75	Jan. 15	Dec. 27
Supersilk H pf.	2.50	Jan. 3	Dec. 15
Sheep Creek M.	.03	Jan. 15	Dec. 31
Sherwin Wms., pf.	1.75	Jan. 3	Dec. 10
Sherwin Wms., c.	.15	Feb. 1	Jan. 10
Standard Fuel, pf.	1+1	Jan. 1	Dec. 15
Sterling Trust	$1.50	Jan. 3	Dec. 20

Lakehead Wheat at New Low

U. S. to Supply Own Rail Cars to Move Out Grain

From Our Own Correspondent

WINNIPEG. — Sixteen and one-half million bushels of grain were loaded in the last week of navigation, most of it wheat. As a result stocks of grain in lakehead elevators were down to 17.7 million bus., the lowest point reached this year and almost the lowest in many years. At one time stocks of wheat alone in lakehead terminals and annexes had been as high as 130 million bus., but when navigation closed wheat stocks were under 10 millions.

Weighing Facilities Busy

Temporary annexes built adjacent to lake head terminals had for some time been virtually empty although in a number some grain still remained. Only reason for this had been that terminal weighing facilities were so preoccupied with shipment out of the main structure that a halt had to be called to the transfer of some stocks from annexes to the main buildings.

Up to close of navigation the railways had been trying to move the maximum possible quantity of wheat to the lakehead. Now, under arrangements made by the transport controller, there will be a different allocation of railway cars. For December rails are expected to load an average of 857 cars daily for shipment to Canadian destinations.

Even Up Car Allocation

To compensate for the advantage in car allocation Manitoba has recently enjoyed, only 20% of such cars will be available from Manitoba points while Saskatchewan and Alberta will each get 40%. Most of the cars will have to be used for feed grains, either for shipment to terminals or direct to eastern Canada. Result will be wheat shipments from Alberta and western Saskatchewan will have to remain on a meagre basis.

Just at the moment there is not a great deal of complaint from western points in this respect. A surprising number of farmers are quite willing to withhold further grain deliveries until after the year end, lest further deliveries in 1943 add unduly to the income taxes they expect to pay.

U. S. to Supply Own Cars

Heavy all-rail movements of western wheat to points in the U. S. are expected to commence immediately. For this U. S. railways are expected to supply their own cars. Such shipments will constitute an addition to the 857 cars which Canadian rails are expected to load daily. While there has been some talk of the U. S. Government trying to contract for 150 million bus. of Canadian wheat during the current crop year, no official statement has yet been forthcoming as to actual arrangements.

At the present time grain for the U. S. is offered by the Canadian Wheat Board at prices fluctuating from day to day, in accordance with prevailing ideas as to what the market south of the line is willing to pay. Prices are substantially above the $1.25 basis being paid by the Canadian Wheat Board to producers, and sales are understood to have been made on a basis as high as $1.39 for No. 1 Northern.

In making wheat sales the Canadian Wheat Board distinguishes sharply between Crown wheat, that which in view of being in commercial position on Sept. 28 became the property of the Crown, and producers' wheat delivered since that date. Crown wheat is being disposed of on a uniform price basis of $1.25 per bushel, whether it is supplied to Canadian mills for feeding in eastern Canada or furnished to Great Britain and other Allied countries under the Mutual Aid Plan. Later it is quite possible that this price basis will be advanced to take care of carrying charges accrued.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 245

Notice is hereby given that a dividend of two per cent upon the paid up capital stock of this Institution has been declared for the quarter ending 31st January, 1944. The dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the first day of February, 1944, to shareholders of record of the 15th January, 1944.

By Order of the Board.

ROBERT RAE,
General Manager.

Toronto, 9th December, 1943.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st day of December, 1943.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st day of December, 1943.

The above Dividends will be paid on Saturday, the 15th day of January, 1944, to shareholders of record at the close of business Tuesday, the 28th day of December, 1943.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 23rd November, 1943.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by Provincial Paper Limited, payable January 3rd, 1944, to Shareholders of record at close of business December 15th, 1943.

(Signed) W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

Dividends Declared (Cont'd)

Stand. Radio A. B	.10	Jan. 10	Dec. 21
Sun Life Assur.	3.25	Jan. 1	Dec. 16
Supertest Pete., c. ord.	.50	Jan. 3	Dec. 17
Do., pref. B	.75	Jan. 3	Dec. 17
St. Law. Flour	.35	Feb. 1	Dec. 31
Do., pref.	1.75	Feb. 1	Dec. 31
Steel of Can.	.75	Feb. 1	Jan. 7
Do., pref.	.75	Feb. 1	Jan. 7
Sun Trust	2.50	Dec. 31	Dec. 29
Thayers, pfd.	2	Jan. 1	Dec. 21
Tuckett Tob., pfd.	1.75	Jan. 15	Dec. 31
Tor. Gen. Trusts	1	Jan. 3	Dec. 10
Toronto Mortgage	1.25	Jan. 3	Dec. 15
Tamblyn, G.	.20	Jan. 3	Dec. 10
Do., pref.	.62½	Jan. 3	Dec. 10
Teck Hughes G.	.10	Feb. 1	Dec. 31
Tip Top Tailors	▲.07½	Jan. 1	Dec. 1
Do., pref.	1.75	Jan. 1	Dec. 1
Tooke Bros. c.	.25	Jan. 2	Dec. 15
Traders Fin. A rts.	1	Jan. 3	Dec. 31
Do. (B) rts.	1	Jan. 3	Dec. 31
Do., pref.	1.50	Jan. 3	Dec. 15
Unit. Gold Eq.	■.05	Dec. 30	Dec. 15
United Corp., B.	.20	Dec. 30	Dec. 10
Un. Bond & Sh.	.25+.10	Jan. 15	Dec. 31
Ventures	■.10	Dec. 30	Dec. 2
Viau, pref.	1.25	Jan. 3	Dec. 20
Willson Stat., pfd.	1.25	Jan. 15	Dec. 31
Wabasso Cotton	1	Jan. 3	Dec. 20
West. Assurance, pf.	1.20	Jan. 3	Dec. 31
West. Grocers	.75	Jan. 15	Dec. 15
Do., pref.	.37½	Jan. 15	Dec. 15
West Koot. Pr., pfd.	1.75	Dec. 31	Dec. 15
Weston Geo., c.	.20	Jan. 3	Dec. 4
Wilsil	.25	Jan. 2	Dec. 1
Wr. Hargreaves	.06¼	Jan. 3	Nov. 26
Ymir Yankee	.08 4/10	Dec. 30	Dec. 14
Zeller's	.20+.20	Feb. 1	Jan. 15
Do., pref.	.37½	Feb. 1	Jan. 15

■Subject to approval of Foreign Exchange Control Board. ▲On arrears.

†Payable in N. Y. funds.

‡ Plus 75c, payable in 5% pref. stock in ratio of 1 pref. for each 13 1/3 sh. A or B held.

●Initial. *After deducting corporate income tax.

Dividends Deferred—
Power Corp. com.
Standard Chemical.

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British Mtge. & Trust
Sterling Trusts Corp.
A. J. Pattison, Jr. & Co.
Royal Bank Bldg., Toronto
EL. 5101

CCC May End Wheat Buying

Disparity in Our Domestic and Export Freight Rate Irks U. S. Body

From Our Own Correspondent

VANCOUVER. — The United States' Commodity Credit Corp., which has been buying wheat here the past few months for shipment to California and the northwest states to relieve a shortage of livestock feed, may discontinue its purchases soon owing to the difference in freight rates between domestic and export grain.

The initial contract was for 10 million bushels and there may be no renewal when this volume has been exported, exporters here state.

Grain bought by the American organization automatically added some 13 cents per bushel for grain already delivered at Vancouver and paid for. The Commodity Credit Corp. has been paying domestic rates, and has complained these are excessive. The price would be affected considerably if the export rail freight rate were charged on the grain involved.

Canadian regulations set a difference between domestic and export rates. A bushel of grain shipped to Vancouver for export pays about 13 cents less freight than a bushel sent here for domestic use. The export rate is defined as applying to grain shipped to foreign countries other than North America. Thus, any shipments to the U. S. would take the domestic rate.

The 10 million bushels sent here and sold through CCC to California and Puget Sound points and now going forward was delivered to Vancouver under the export rate. Now, with the grain going to market by water, the railroads will get approximately $1.3 millions without turning a wheel. As each shipment goes forward by barge from Vancouver, the shipper or elevator is billed for the difference of 13 cents per bushel.

Already from some 3 million bushels that have been delivered to the U. S. market the railroads have received about $400,000.

DIVIDEND NOTICES

The Steel Company of Canada, Limited

Preference Dividend No. 130

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Preference Shares of the Company has been declared for the quarter ending December 31, 1943, payable February 1, 1944, to shareholders of record at the close of business January 7, 1944.

By Order of the Board,

H. S. Alexander,
Secretary.

Hamilton, Canada,
December 15, 1943.

The Steel Company of Canada, Limited

Ordinary Dividend No. 108

Notice is hereby given that a dividend of seventy-five cents (75c) per share on the Ordinary Shares of the Company has been declared for the quarter ending December 31, 1943, payable February 1, 1944, to shareholders of record at the close of business January 7, 1944.

By Order of the Board,

H. S. Alexander,
Secretary.

Hamilton, Canada,
December 15, 1943.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the Current Quarter, and that the same will be payable on and after

3rd January, 1944,

to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,

WALTER GILLESPIE,
Manager.

2nd December, 1943.

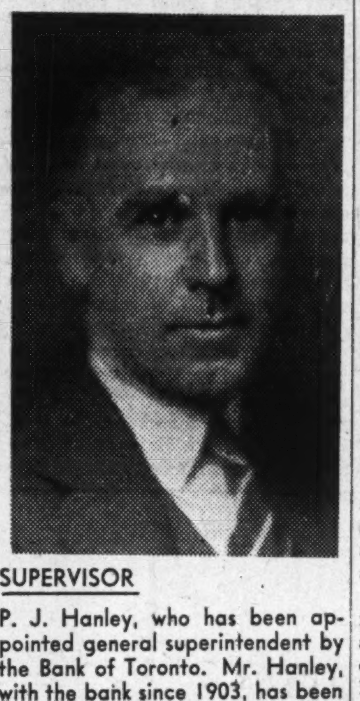
Chartered Trust and Executor Company

Notice is hereby given that a dividend of 1% has been declared on the paid-up capital stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1943, payable January 3rd, 1944, to shareholders of record at the close of business December 15th, 1943.

By Order of the Board.

E. W. McNEILL,
Secretary.

Dated at Toronto, November 18th, 1943.



SUPERVISOR

P. J. Hanley, who has been appointed general superintendent by the Bank of Toronto. Mr. Hanley, with the bank since 1903, has been chief supervisor at head office of eastern branches.

Wheat Tariffs Start Argument

Winter-stored Canadian Wheat Held on Boats at Buffalo

By STAFF WRITER

WASHINGTON. — Congressional advocates of a broad general investigation of lend-lease operations gained new political leverage last week following charges in the Senate that Canadian wheat was being held on the Great Lakes for repeal of the U. S. wheat tariff of 42 cents a bushel.

Senator Ferguson, of Michigan, charged on the floor recently that approximately $4 millions is involved in a 9-million bushel consignment now being held by the Canadian Wheat Board at Buffalo, aboard boats tied up for the winter. The Commodity Credit Corporation claims an option on this wheat, but says it cannot get a price quotation. The Murray bill, eliminating the grains tariffs for 90 days to make feeds available in the northern states, has been passed by both the House and Senate, by the latter on Dec. 17. It will be perhaps 5 days more before the bill is signed by the President.

Meanwhile Congress has recessed for the holidays. Undoubtedly the wheat transaction will be consummated long before the legislators return to Washington on Jan. 3. The President's annual message on the State of the Union, the new budget, and the fifteen major departmental appropriation bills then will be the pressing order of business. The lend-lease investigators are aiming their program at a formal congressional inquiry to be launched simultaneously with the third annual report from the White House, which will be due March 11.

DIVIDEND NOTICES

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1943, payable February 25, 1944, to shareholders of record January 25, 1944.

By Order of the Board,

H. G. BUDDEN,
Secretary.

Montreal, December 20, 1943.

O'Brien Gold Mines, Limited

(No Personal Liability)

DIVIDEND NO. 8

NOTICE is hereby given that a Dividend of Four Cents (4c) per share has been declared by the Directors of O'Brien Gold Mines, Limited (No Personal Liability), payable in Canadian Funds on 29th January, 1944, to Shareholders of record at the close of business on 3rd January, 1944.

By Order of the Board.

H. A. GREEN,
Secretary.

Ottawa, Ontario,
17th December, 1943.

Bathurst Power and Paper Co. Ltd.

Notice of Dividend on Class "A" Shares

The Board of Directors has to-day declared a quarterly dividend of Twenty-five cents (25c) per share on the outstanding Class "A" shares of this Company, payable on the 1st day of March, 1944, to shareholders of record at the close of business on the 28th day of January, 1944.

H. J. WEBB,
Vice-president & Treasurer.

December 20th, 1943.

Business of Farming

Are Farmers Too Old?

By GORDON L. SMITH

A recent survey in the United States reveals an alarming situation in regard to agriculture, namely that the average age of the farmer in that country is 55 years. No comparable survey has been completed in Canada, but as P. C. Armstrong, CPR's well-known economist, pointed out in Winnipeg the other day, if one was made undoubtedly the average would be found to be at least as old. This means that in another ten years about a quarter of the men now actively engaged in farming will have to retire. Who will take their places?

The answer will not be completely found in men returning from the war. Since the beginning of hostilities about 400,000 men have left the farms, but there is no guarantee that all or nearly all will return. Many of the men who have joined up, or transferred to munition factories, do not intend to return to agriculture.

• • •

Centuries Old Trend

Much of the recent drift away from the land is more or less natural. From almost the beginning of settlement there has been a steady movement of country population to the cities. Indeed without it, the cities could not have grown.

The movement has been going on since Roman times and if the cities are to maintain present size, let alone grow, it will have to continue because the chances of a city man becoming a grandfather are very much less than those of a man in the country. Families are still larger along the concession lines than they are on the city street. So far as Canada is concerned, however, the situation is becoming alarming.

Despite mechanization, farming remains a hard physical occupation and a man of 55 years is nearing the end of his productive life. If none of his sons decide to carry on then, either the movement of population cityward will have to be reversed or we will have to depend upon large scale immigration.

• • •

Mechanization Helps

Mechanization, it is true, will help and in certain sections the trend will be toward still larger farms. It is estimated that the invention of the binder permitted one man to grow four to six times more wheat than his father with the cradle and flail. The invention of the combine, increased the individual capacity about as much again. On the large mechanized grain farms of western Canada and the mid-western U. S. undoubtedly more wheat is being produced per man than in any other part of the world.

But Canadian agriculture does not entirely consist of grain growing. There are many other lines, such as dairying, fruit and vegetable growing, where much hand labor is still required. To handle a 100-acre farm and a dozen head of dairy cattle with its complement of hogs, poultry, fruit and vegetables, requires the full time services of two men the year round if anything like capacity production is to be achieved.

• • •

Need More Mechanics

Then again, while mechanization permits greater grain capacity per man, one factor too often overlooked is that skilled care is necessary to keep the machinery functioning. A tractor, combine, and other complicated implements need attention and if there are no good mechanics and machine shops fairly handy then we are not going to get the best results.

Mechanics and machine shops, however, are not plentiful in rural Canada and those there are are generally working overtime. Moreover, if the present improvement in farm revenue results, as expected, when goods become available, in more modern homes, barns and other farm equipment after the war, then these country artisans and their shops are going to be swamped.

Anyone who has tried to get a water, sewage or electrical system installed in the country, recently, or a bit of carpentry, tinsmithing or masonry work done, knows the situation. Immediately after this war not only should there arise overnight an excellent market for all sorts of durable goods in rural Canada but there should also be an immense amount of work waiting for mechanics, artisans, painters, builders, etc.

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Caesarians For Cattle?

Some American newspapermen have been waxing enthusiastic about the recent crossing humped Brahman cattle from India with native breeds in the Southern States. By such a practise, claim the enthusiasts, the yield of beef from the herds of Florida, Texas and other southern states will be materially increased.

Canadian breeders are doubtful. Reason behind this drastic cross, they think, is not the hope of more beef, because Indian cattle and practically all other cattle are greatly inferior in this respect to the world famous Angus, Hereford and Shorthorn, but merely an animal more resistant to warm country, parasites and ailments. But even this restricted objective is not so simple, when an animal of the peculiar physical characteristics of the Brahman is used.

Canadian breeders recall a somewhat similar experiment in this country some decades ago, when the whitefaced Hereford was crossed with the buffalo. The latter, like the Brahman, also has a hump and as a result the losses to dams in calving were terrific. Only when a more or less neutral third party was introduced, the slightly humped Yak from India, was this loss cut to reasonable proportions. By that time, however, practical interest in the experiment had largely evaporated as the result had little to recommend it. There are reports of similar losses from Brahman-native cross in the U. S. and critics suggest that breeders may be forced to use Caesarian tactics.

DIVIDEND NOTICES

Montreal Light Heat & Power CONSOLIDATED

110th Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of One Dollar and Fifty cents per annum) has been declared on the presently issued and paid up common stock of the Company for the quarter ending December 31st, 1943, to shareholders of record that date.

Cheques representing this dividend will be mailed on January 29th, 1944.

By Order of the Board,

C. C. PARKES,
Secretary.

Montreal, December 20th, 1943.

Montreal Light Heat & Power serves 292,515 gas and electricity customers representing a population of 1,522,757 in the sixty municipalities in the City and District of Montreal.

Wheat Storage Ruling Held

Government Questions Adequacy of Proposed Lower Rate

By STAFF WRITER

OTTAWA. — Absence of Hon. James MacKinnon and other ministers from Ottawa recently has deferred possibility of any immediate decision by the Government as to representations by the grain trade on the questions of a lower rate for storage charges at elevator points.

The matter has been left in abeyance pending a full meeting of the Wheat Committee of the Cabinet.

Mr. MacKinnon is chairman of the Cabinet Wheat Committee. He would ordinarily have met the western representatives who came here recently to discuss this matter directly with the government. So far as can be learned the only two members of the committee who were in town when the westerners made their representations were Hon. J. L. Ilsley and Hon. T. A. Crerar.

Nub of the controversy over the proposed reduction in the storage rate from 1/45 and 1/50 to 1/60 of a cent per bushel is said to be (from a government point of view) whether or not the new proposed and lower rate is adequate.

Tax Question

However, the argument as it has developed out west has apparently uncovered a lot of other angles, chief of which is the question of whether or not the Wheat Pools are going to be liable to assessment for income tax. The Pool argument seems to be that if profits are going to be taxed away anyhow, the Government might as well be saved the trouble of collecting and refunding, by lowering its handling charge here and now.

Of course there is the 20% refundable tax portion which also comes into the argument and the question of whether it is right and proper, as a matter of principle, to take this question of handling charges out of the hands of the statutory body responsible for this kind of decision.

Little Whisky Being Made

Dominion Distilleries Release Only a "Trickle" of Whisky

By STAFF WRITER

OTTAWA.—Though you won't get anyone around Ottawa to admit it, there is no doubt that a "trickle" of whisky for eventual human consumption has been authorized in Canadian distillery plants that are otherwise devoted entirely to production of alcohol for war purposes.

When Canadian plant capacity was taken over by the Chemicals Controller more than a year ago, it was understood that if any "pockets" of excess capacity developed, arrangement might be made to devote this to production of whisky. Only occasionally has such excess been available and then, according to opinion here, on such a small scale as to make little or no dent in the rising potential "thirst" promised when present stocks are depleted.

Canadian officials, while highly secretive about what has been going on, seem to have no fears anything has been done which is not according to Hoyle.

What they do fear, obviously, are repercussions in the U. K. and U. S. where distillers have been clamoring for just such an arrangement, and where the special Canadian dispensation was apparently not known.

Since 1857
James Richardson & Sons
LIMITED
Grain Merchants
Shippers and Exporters
HEAD OFFICE
WINNIPEG
Branches Throughout Canada

DOUBLE RECLEANED AND RECLEANED WESTERN
OATS
All Grades Feed BARLEY
SAMPLE WHEAT
BULK or SACKED
All Grain Selected from Our Elevators in the Finest Growing Districts of Western Canada
Prompt Shipment from Fort William
For Quotations Write or Wire
NATIONAL GRAIN CO. LTD.
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THE ALBERTA PACIFIC GRAIN CO. (1943) LTD.
Operators of Country Elevators in Alberta and Saskatchewan
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MASTER FEEDS
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CO. LIMITED
SARNIA ONTARIO
QUEEN'S QUAY, TORONTO

Canada Steamships Denies Plan to Abandon Prescott

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines officially denies the report that it has taken a 60-day option on the Crossom Hotel property and the site of the old Thousand Islands house at Alexandria Bay, N.Y., that it will erect a new hotel there and also will abandon Prescott in favor of a new terminal to be built at Alexandria Bay.

According to a statement released in New York, apparently on the authority of Cornwall Bros. Inc., owner of the Crossmon property, CSL was interested in acquiring the entire waterfront on the St. Lawrence River at Thousand Islands Village, N.Y.

The options were preliminary to clearing the sites and to construction after the war of one of the largest summer hotels in the St. Lawrence-Great Lakes region. At the same time, according to reports, CSL would make Alexandria Bay a port of call and transfer point instead of Prescott, Ont. This would, the report went on to say, result in the shift of a large volume of business from the Ontario point to the Northern New York site.

Along the waterfront at Alexandria Bay, according to the denied story, Canada Steamships planned to build new and modern dockage facilities, terminals, baggage-transfer centre, customs quarters and suitable passenger and freight accommodation.

THE
ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED 5-YEAR DEBENTURES ISSUED
Deposits and Debentures (31 Dec., 1942), $12,389,021

Aviation Insurance to Expand

See Big Postwar Growth in Varieties of Coverage

Insurance circles are looking to a bright future in the field of aviation insurance. Due to current developments in aviation, to greater air consciousness of the public and the surplus of pilots to be released after the war, they believe the number of owners and operators of airplanes will expand greatly. Not caught napping, already insurance leaders have drafted into policy form various kinds of coverage to meet the hazards of flying. These are described in the accompanying article.

By DONALD G. MacLEAN

Tremendous growth in aviation insurance after the war is anticipated in Canadian insurance circles. It is believed the number of airplanes owned and operated not only by commercial companies, but by private individuals, will be much larger. As ownership and operation of an airplane entail various hazards, just as does an automobile, insurance cover is seen to be essential.

Factors tending to increase the number of airplanes in operation include current developments in aviation, greater air consciousness on the part of the public resulting from the war, and the large number of trained pilots who will be released from the Air Force. Some of the latter, it is believed will operate their own planes in civil life while many more civilians will in time become operators. This will all tend to increase demand for insurance against the various hazards to which the owner or operator may be subject.

Aircraft Insurance Defined

A number of aviation risks are covered by insurance in different ways.

There is, for example, insurance of the aircraft itself. This is defined as aircraft insurance by both the Dominion and provincial insurance departments. The Dominion definition reads:

"Insurance against liability for loss or damage to persons or property caused by an aircraft or the use or operation thereof and against loss of, or damage to, an aircraft." The Ontario department says of aircraft insurance that it is "insurance against loss of or damage to an aircraft loss of or damage to an aircraft and against liability for loss or damage to persons or property caused by an aircraft or by the operation thereof."

In both cases there is strong similarity between the wording of the definition and that of automobile insurance. Whereas with automobile insurance, the automobile itself and the public liability of the owner may be insured in one policy, in aircraft insurance, two separate policies are usually issued one covering the hull of an aircraft and the other, the public liability of the owner.

Aircraft Hull Policy

In one specimen policy before the writer the perils of the aircraft hull policy are outlined as follows:

1. Fire, lightning, explosion, and self-ignition, excluding fire following crash, also damage sustained during transportation caused by an accident to the conveyance on which the aircraft when dismantled is being transported by land or water.

2. Fire, lightning, explosion, and self-ignition while not in flight, also transportation as defined in Clause 1 above.

3. Windstorm, except while the aircraft is in flight or moored but excluding damage caused by hail, rain, sleet, snow, earthquake, flood or water.

4. Land damage, that is damage while the aircraft is on land, but not in flight, caused by hail or by collision with another object, but excluding damage caused by windstorm.

5. Mooring, or damage to water-alighting aircraft while moored, including launching or hauling up, caused by windstorm, stranding or sinking, or by collision with another object.

6. Theft, robbery and pilferage, including damage done by thieves excluding any person in the assured's household or employment.

7. Crash, including fire following crash, crash during flight or due to collision with the ground, water or other object, or due to stranding or sinking, or to towing following a forced landing on water; also disappearance if the aircraft is missing and not reported for 60 days after commencing flight.

These coverages are very similar in general to the fire, theft and collision coverages available on automobiles, although varied of course to suit the special circumstances of the aircraft.

Liability Policy

The liability policy gives protection similar to that by the public liability and property damage clauses of the automobile contract. It schedules:

1. Public liability, including bodily injuries whether resulting fatally or otherwise to persons other than passengers. (Liability to passengers while entering or leaving the aircraft is not covered by this section.)

2. Passenger liability, covering bodily injuries, fatal or otherwise, to passengers while entering or leaving the aircraft.

3. Damage to the property of others.

The first clause evidently refers to injuries a low flying airplane might cause a pedestrian or by crashing into a building or into another plane and injuring somebody, somewhat as when an automobile hits an individual other than a passenger.

Clause 2 deals directly with passengers which are thus covered separately and specifically. There does not appear to be any legislation freeing the aircraft owner or operator from liability for injuries suffered by a gratuitous passenger as is so with automobiles in a number of provinces.

Thus aircraft insurance seems to be developing along the same general lines as automobile insurance. At present it is written by various companies operating in pools which allocate all business offered among member companies.

Insuring Air Cargoes

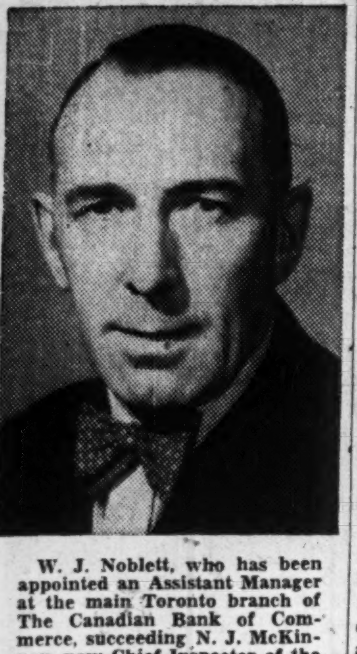
Another line affecting air transport is cargo insurance. This is described by insurance men as really a branch of inland transportation insurance, similar again to insurance of a load of merchandise carried by a railway or a trucking company.

In the years preceding the war great quantities of supplies were carried into the north country by airplane and many loads of furs shipped out. These were usually insured, as wheat or other commodities moving by boat or rail are insured against loss. After the war it is expected there will be a great more of this type of coverage as air transport will probably be used to a larger extent, especially for transporting perishable goods. While this may be regarded as a type of aviation insurance it is not aircraft insurance under the accepted definition.

Falling Aircraft

Yet another class of insurance related to aviation insurance is that of Falling Aircraft. This is insurance of property against loss of or damage to property caused by aircraft or objects falling therefrom. This differs from aircraft insurance, it is understood, in that it is insurance an ordinary property owner may take on to protect himself against loss caused by a falling airplane or by any article falling therefrom onto his house or other property. Aircraft insurance covers the liability of the owner of the plane for damage caused by the plane. Falling aircraft cover in company circles is sometimes described as "impact by vehicles" insurance. It is given by a supplemental contract, added to the fire policy, and like other kinds of cover is subject to the war exclusions which prevent the insurance company, from liability for damages which are insurable under the Government's war risk insurance scheme.

In some quarters, depending on the growth of air transport, all lines of insurance, against perils of the air are regarded as likely to rival such well-known lines as automobile or marine insurance.



W. J. Noblett, who has been appointed an Assistant Manager at the main Toronto branch of The Canadian Bank of Commerce, succeeding N. J. McKinnon, now Chief Inspector of the Bank. Mr. Noblett has had an extensive banking experience and was formerly Manager at the City Hall branch of the Bank in Toronto.

The Wawanēsa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets .. $3,819,972.11
Surplus 2,014,637.07
Dom. Govt. Deposit 1,939,324.33
— Write for Financial Statement —
Head Office, WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg and Montreal.
2,000 Agents Across Canada.

FIDELITY
Insurance Company
of Canada
TORONTO

Dominion Appraisal
Company Limited
The Authority on Physical Values in Canada from Coast to Coast.
Equipped to carry out work of any magnitude within a reasonable space of time.
Head Office
137 Wellington St. West
TORONTO Elgin 5928
MONTREAL
University Tower Building.

NOTICE

Notice is hereby given that the Security Insurance Co. of New Haven has received Certificate of Registry No. C. 889, authorizing it to transact in Canada, the business of water damage insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

JOHN J. KILGOUR,
Manager for Canada.

NOTICE

Notice is hereby given that the American Insurance Co. has received Certificate of Registry No. C. 902, authorizing it to transact in Canada, the business of water damage insurance, limited to the insurance of the same property as is insured under a policy of fire insurance of the company, in addition to the classes for which it is already registered.

JOHN J. KILGOUR,
Manager for Canada.

Notice is hereby given that the Glens Falls Insurance Company has received Certificate of Registry No. C880, authorizing it to transact in Canada the business of Water Damage Insurance, in addition to the classes for which it is already registered.

GEO. B. KENNEY,
Manager for Canada.

Camden Fire Insurance Association

NOTICE is hereby given that the Camden Fire Insurance Association has received Certificate of Registry No. C. 920 authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 13th day of December, 1943.

JOHN B. ALEXANDER,
Chief Agent for Canada.

EXPERIENCED TRAVELLERS
CARRY
MONEY
SAFELY
Canadian Pacific Express
TRAVELLERS CHEQUES

National Retailers Mutual Insurance Company

NOTICE is hereby given that the National Retailers Mutual Insurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 6th day of December, 1943.

VANCE C. SMITH,
Chief Agent.

The British Empire Assurance Company

NOTICE is hereby given that The British Empire Assurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto this 29th day of November, 1943.

C. R. MORROW,
Secretary.

MORDEN, HELWIG & FERRIE LIMITED
Insurance Adjusters
Automobile, Casualty, Fire and Allied Lines,
Inland Marine
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM,
OWEN SOUND

5

Bank of Canada Deposits Down

Sterling and investment Assets Also Lower — Note Circulation Up

A decline of $34 millions in total deposits is shown in the statement of the Bank of Canada for the week ended Dec. 15. Deposits of both the Dominion Government and the chartered banks with the central bank were down but miscellaneous deposits were higher. Note circulation rose to a new high at $857.7 millions.

With total liabilities down about $26 millions, assets dropped accordingly, holdings of sterling and government securities and miscellaneous assets all being down.

	Dec. 15 1943 $	Dec. 8 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	857,747,398	852,156,808
Rest fund	6,472,953	6,472,953
Deposits: Dom.	23,470,892	52,021,995
Chartered bks.	318,713,956	327,151,809
Other	23,766,015	20,400,432
Total deposits	365,950,863	399,574,236
All other liabs.	22,995,961	21,150,798
Total liabs	1,258,167,155	1,284,354,795
Assets		
In Sterl. & U.S.	5,059,066	13,959,066
Subsid. coin	143,914	90,388
Investments:		
Dom. gov. sh.	768,762,016	776,330,982
Oth. Dom. gov.	472,105,870	468,187,426
Total invest.	1,240,867,886	1,244,518,408
Premises	2,105,524	2,104,494
All other assets	9,990,765	23,682,439
Total assets	1,258,167,155	1,284,354,795

Toronto CLU Chapter Elects New Officers

Officers for 1944 have been elected by the Toronto chapter of the Institute of Chartered Life Underwriters of Canada as follows:

CALVIN K. SWARTZ, Imperial Life, chairman.

IAN ARMOUR, Aetna Life, vice-chairman.

J. J. O'GRADY, Confederation Life, secretary.

W. W. NIXON, Excelsior Life, treasurer.

WALTER ARNOLD, Sun Life; S. B. CHADSEY, Mutual Life of Canada; and A. C. McINTYRE, Northern Life (retiring Chairman), members of executive committee.

The North River Insurance Company

NOTICE is hereby given that The North River Insurance Company has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 29th day of November, 1943.

K. THOM,
Chief Agent.

The Imperial Guarantee & Accident Insurance Company of Canada

NOTICE is hereby given that The Imperial Guarantee & Accident Insurance Company of Canada has received Certificate of Registry authorizing it to transact in Canada the business of Water Damage Insurance, limited to the insurance of the same property as is insured under a policy of Fire Insurance of the Company, in addition to the classes for which it is already registered.

DATED at Toronto, this 29th day of November, 1943.

C. R. MORROW,
Secretary.

HEADS TRUST CO.

Harry Ford, who has been elected president of Osler & Nanton Trust Co., Winnipeg. Mr. Ford is a director of Osler, Hammond & Nanton and member of the board of governors of the Winnipeg Stock Exchange.

War Risk Premiums Are Lower in October

Premiums collected in Oct., 1943, under the Dominion Government War Risk Insurance Scheme totalled $1.1 million. This is equal to 85% of the amount collected in Oct., 1942, after allowing for the 20% reduction in rates. Premiums written in September were 80% of that of the 1942 total.

Maritime Telegraph & Telephone Co. reports an all-time record number of stations in service; 59,054 at the end of October last. This represents a net gain of 298 over the number in service at the close of the previous month and compares with 55,719 at the end of 1942 and 51,434 at the close of 1940.

An Estate is an Estate

Our primary concern is not whether an estate is small. With us an estate is an estate. It is made up of assets of various types and each type receives the skilled care of the department or section of our staff best trained to deal with it. The total at the bottom of the list of assets does not determine the attention given to the individual items, nor to the list as a whole.

Write or telephone for an appointment to discuss your estate with one of our officers.

Write for our Booklet
"Security for Your Family"

NATIONAL TRUST
COMPANY, LIMITED
TORONTO MONTREAL HAMILTON
WINNIPEG EDMONTON

Inter-State Royalty Reports on Position

Inter-State Royalty Corp. reports that at Nov. 30 investments in oil royalties had a book value of $1,264,411. Gross revenue to Oct. 31 totalled $550,772 and reserve for depletion $150,655 to the same date. In October the company had a gross income from royalties and rentals amounting to $1,128, while accumulated income from the same sources for 1943 totalled $21,579.

CHRISTMAS
PART

Goodwill is the only enduring thing

Here at Dofasco we live goodwill. Our men, of all nationalities, work together and play together in harmony and good fellowship. At Christmastide, this spirit reached its climax in the traditional Dofasco Christmas party. Burly steel workers may dress up on that one day as Santa or Clowns to amuse their fellow workers and their families, but that same spirit of goodwill toward each other lives on throughout the year.

And so, at this Christmastide, our wish is that Christmas 1943 may be one more Christmas nearer that day when peace, freedom and the dignity of man return to this world, and all men walk together in goodwill.

DOMINION FOUNDRIES AND STEEL LIMITED
HAMILTON CANADA

THE FINANCIAL
POST
Canada's Foremost Business Newspaper

Toronto, December 25, 1943

Victory Achievements

Canadians come to the close of the most intense and purposeful year in our national history. Our armed forces overseas have seen action on new battlefronts; at home more than a million men and women are laboring in factories all across Canada to provide our own forces and those of our Allies with the equipment they need. Behind those working directly in the factories on war goods, stand farmers, fishermen, lumbermen, miners, and the army of workers in essential services, transport, fuel, food distribution, information, health, and many others.

The contrast with previous years shows the pattern — 1940, plans, small beginnings, a trickle of supplies; 1941, bigger plans, the year of construction and conversion; 1942, a year of rising production, plans of undreamed of magnitude, of objectives reached and passed; 1943, the year of mighty output, of peak effort, and which sees the beginning of a new program of conversion, back again to other products.

This special Post report tells the detailed record in various aspects of war production.

"THE WARRIOR CANNOT FIGHT WITHOUT THE WEAPONS FORGED BY THE WORKER."

Canada's direct war production for 1943 passes $2¾ billions, a figure approximately double our entire manufacturing output for 1938; comparative totals: 1942, $2,043 millions; 1941, $785 millions; 1939-40, $307 millions. This change can be measured by the following wartime gains:

EMPLOYMENT (DBS Index), June 1, 1941, 100; Oct. 1, 1943, 137.7.

AGGREGATE PAYROLLS, June 1, 1941, 100.0; Oct. 1, 1943, 171.8.

VOLUME OF PRODUCTION, as measured by The Financial Post index: Nov. 1, 1942, 228.3; Nov. 1, 1943, 264.2.

Here is Canada's achievement in output of specific items of war materials and equipment. Figures are for aggregate output to the end of 1943, plus current production rates where available:

SHIPS: Nearly 250 cargo vessels; more than 500 naval craft; current output six or more a week; aggregate value, including repairs, $812 millions.

AIRCRAFT: 10,000 planes of all types; current output 80 per week; aggregate value, including overhaul, $701 millions.

SMALL ARMS: Nearly 1,000,000 machine guns and small arms units; current output 13,000 weekly.

HEAVY GUNS: 80,000 guns, barrels or mountings; current output, 1,000 guns and barrels, 200 mounts weekly.

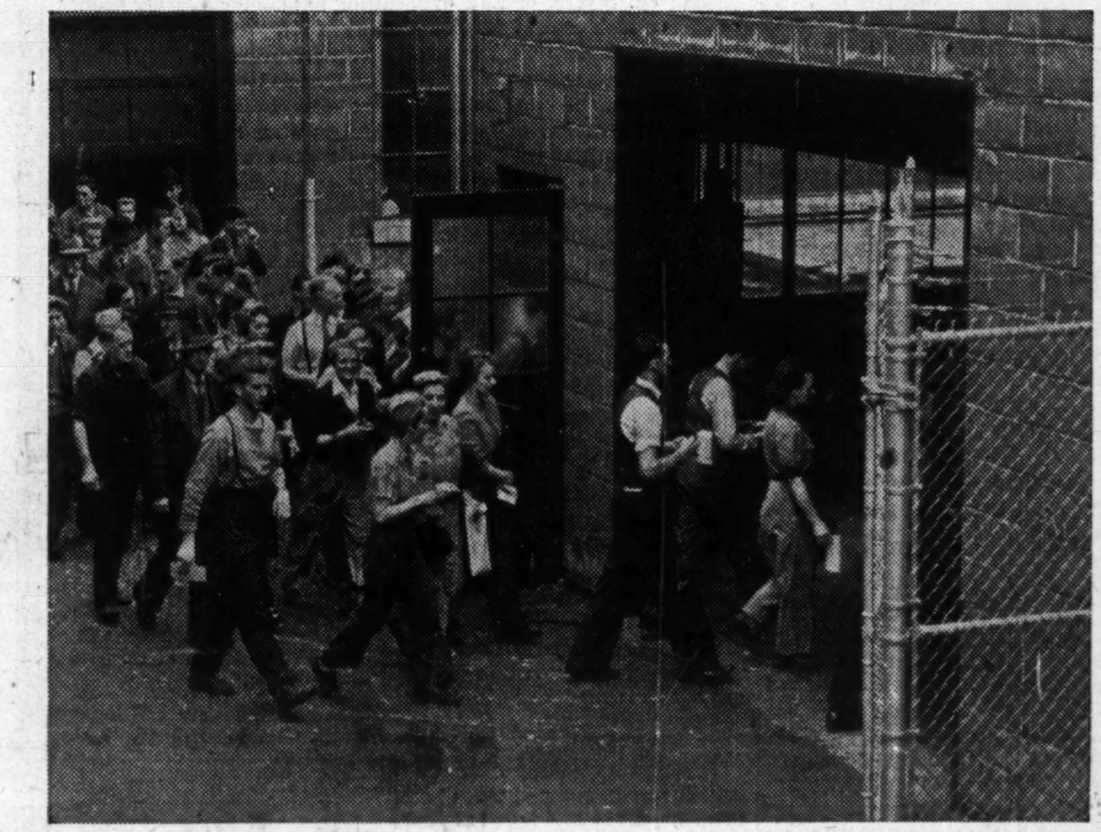
HEAVY AMMUNITION: 55 million complete rounds; current output 525,000 weekly; aggregate value, including bombs, $522 millions.

SMALL ARMS AMMUNITION: 3 billion rounds; current output 25 million rounds weekly; aggregate value $132 millions.

CHEMICALS AND EXPLOSIVES: 1 million tons; current output 10,000 tons weekly; aggregate value, including filling, $332 millions.

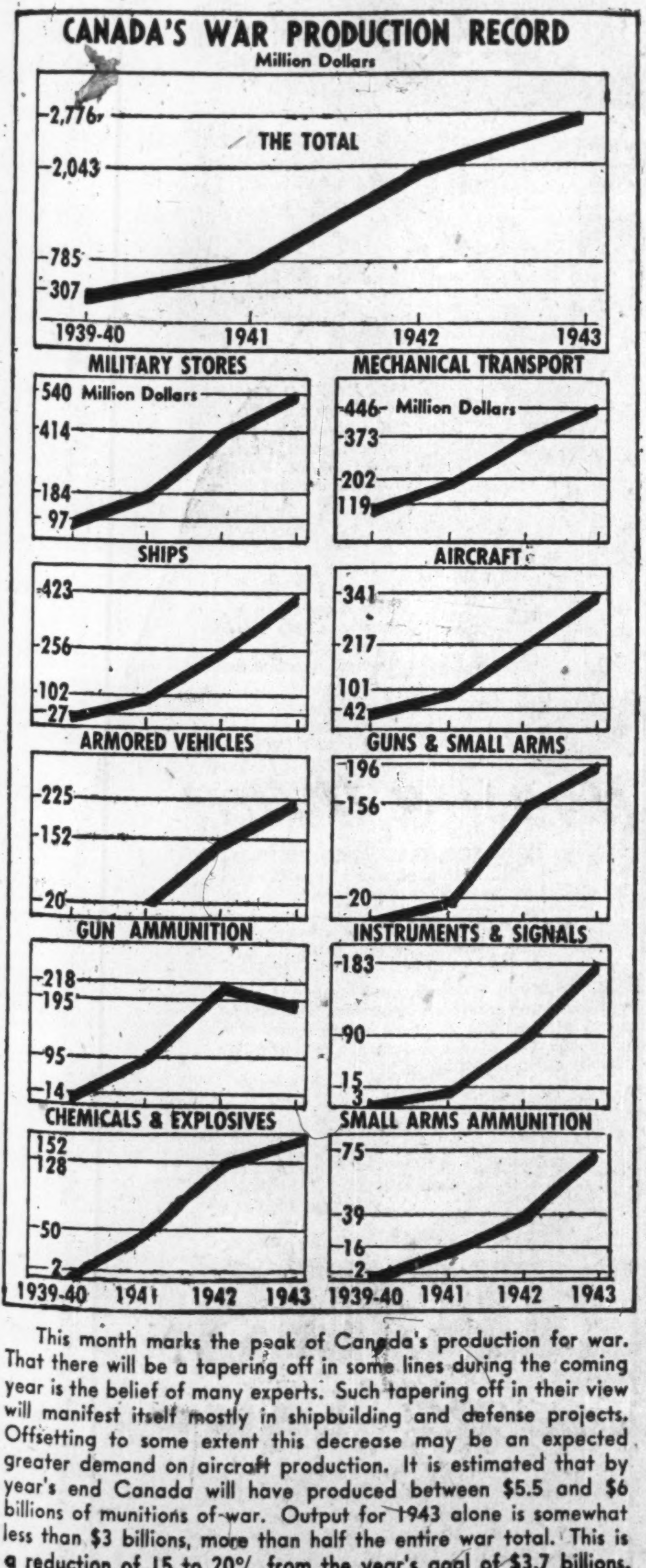
INSTRUMENTS AND SIGNALS: $300 millions; current output $4.3 millions weekly; aggregate value, $291 millions.

TOTAL EXPENDITURE on war production and construction, Munitions & Supply contracts, $7,500 millions.



"THE FREEDOM OF THE WORKER DEPENDS UPON THE SUCCESS IN BATTLE OF THE WARRIOR."

"Endurance is what counts for most in a long struggle. This war has become a war of endurance, and it is the last round that will spell victory or defeat . . . there are two kinds of national effort essential to the waging of modern war. One is concerned with armies, navies and air forces in active combat with the enemy. The other, with the organization of the whole nation to back up the armed forces with the utmost strength the people can muster. One side is symbolized by the warrior; the other, by the worker. The key to victory is a partnership unbroken and unbreakable of the warrior and the worker. The warrior cannot fight without the weapons forged by the worker. The freedom of the worker depends upon the success in battle of the warrior." — The Prime Minister, W. L. MacKenzie King.



This month marks the peak of Canada's production for war. That there will be a tapering off in some lines during the coming year is the belief of many experts. Such tapering off in their view will manifest itself mostly in shipbuilding and defense projects. Offsetting to some extent this decrease may be an expected greater demand on aircraft production. It is estimated that by year's end Canada will have produced between $5.5 and $6 billions of munitions of war. Output for 1943 alone is somewhat less than $3 billions, more than half the entire war total. This is a reduction of 15 to 20% from the year's goal of $3.7 billions.

Among Problems For 1944 Are —

Election Ferment, Labor Union Pre-Peace Drive

By KENNETH R. WILSON

Hopes of an early and easy capitulation by Germany this winter, in the opinion of those best in position to know, are still nothing more than hopes.

The grim and probable reality toward which every effort of the United Nations is now turning is that of a titanic Armageddon along Europe's coast line in the near future. In Washington, London and Ottawa, it is soberly calculated that combined Allied forces may face a million casualties before the issue is decided.

For no matter how successful the Russians may be this winter, it is still the Allied belief that the German Army is far from admitting defeat. It is no secret that German technical skill and accomplishment in ground combat has proven so far to be superior to our own. Land mine defenses along the European coast are a case in point. Every Allied resource is being thrown into meeting that problem; for what is feared is an unbroken band of non-metallic mines probably three miles wide, and reportedly 90 miles inland. Over this the Germans hope to take heavy toll of our men and matériel.

It is against this background of gargantuan struggle and warfare that the expectations of corresponding struggle and strife on the home front must be fitted.

For 1944 is almost certain to be election year in Canada and Great Britain, as well as in the United States.

Added to that it will be the year in which labor organizers may be expected to put forth a supreme effort to wrest the last concession. Once Germany is licked and millions of wheels change from war to peacetime tasks, the opportunity for extravagant claims grows less.

This combination of political uncertainty plus changing labor conditions raises ominous prospects for strife and struggle on the domestic labor front in 1944.

So far as politics in Canada is concerned, the course of events in Europe will likely dominate the election timetable. But June 19 is a critical date for the Dominion Liberal administration, no matter what happens in Europe.

On that day, the life of the Saskatchewan Government expires. There must be a provincal election and it is argued that Prime Minister King will not risk a wholesale defeat in that province prior to a federal contest—if he can possibly avoid it.

Thus if the war ends, or if a prior opportunity presents itself, it seems more than likely that there will be a federal election prior to midsummer and the provincial contest. Certainly Ottawa opines that Mr. King will want to get a fresh mandate from the country before attending any peace parleys—much as he may fear the results of that contest.

What's going to happen in the election?

Mr. Coldwell figures he will get about 90 CCF seats on the basis of present possibilities.

Whether CCF chances rise or fall from this point is of course a matter on which there is sharp cleavage of opinion. But observers point to a CCF decline in a recent Gallup poll of public opinion, and to uniformly poor showings of CCF candidates in municipal elections. They also point to increasing consciousness of political responsibilities on the part of the big middle class section of the Canadian people, normally pretty apathetic in politics.

Wrecking Quebec Bloc

If Mr. Coldwell were to get between 80 and 90 seats, several observers here think he would probably emerge with the highest total of any party. They also expect the "solid" Quebec Liberal bloc will this time fly apart and send perhaps 30, 40 or more "nationalists" of one stripe or another to Ottawa.

Superficially it can be argued that the Liberals should be able to form a post-election alliance with their erstwhile political bedfellows from Quebec. But inside the Liberal party, there is little talk of this.

It is argued instead that the story of 1911 is more likely to repeat itself. In that election, having fought the Liberals at the polls, Quebeckers joined forces with Conservatives (who had not contested many seats in the province) rather than link up with those whom they had fought on the hustings.

Observers here feel certain that Liberals and Conservatives would join forces before permitting Coldwell to form a government.

But what top-flight officialdom here is unanimous in regarding as the most serious aspect of this situation is the grave danger that the CCF might divert Canadian brains and energies from vital problems of reconstruction at a time when they must be decided and take up the nation's time with arguments about nationalization of the banks and other socialist schemes.

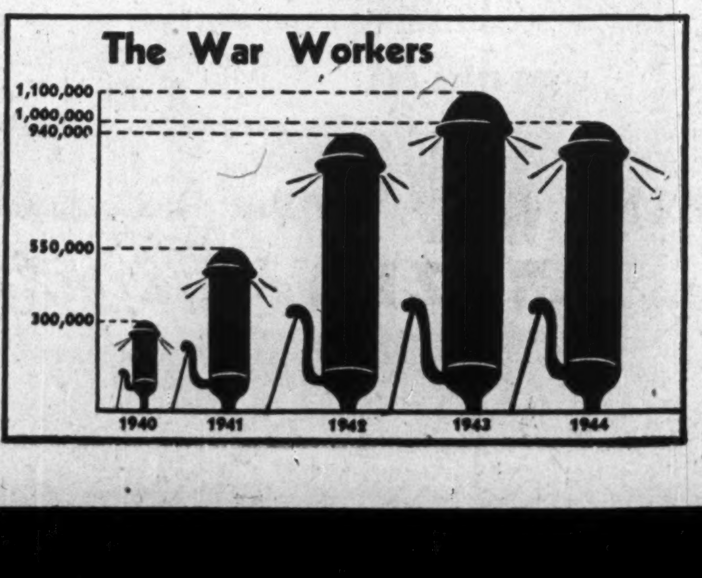
Near War Output Peak

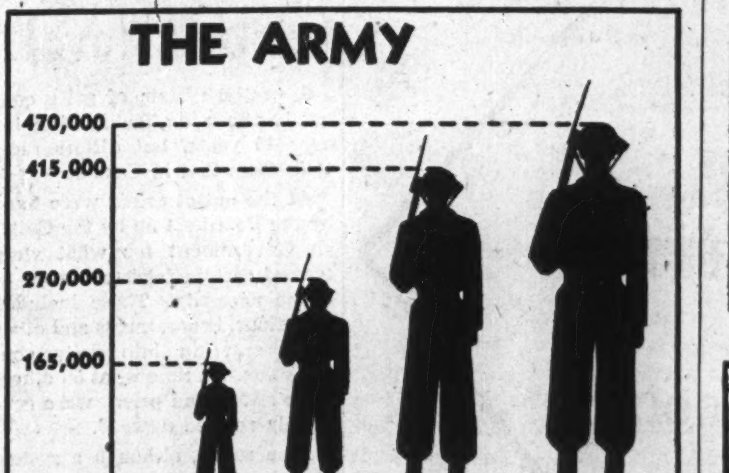
Though the grim struggle for superiority in production is not yet won, the effort to attain unprecedented heights is for Canada apparently nearing its end. Though there may be last minute changes and many urgent emergency demands, it is broadly true that the war with Germany will have to be won with the types and supply of weapons that are presently available, or which will come off production lines in the next few weeks and months. This is especially true for Canada, where more than 50% of our production has been in land army equipment as compared to possible 25% in the case of the USA.

Experts believe that over-all war production reached its peak in Canada in Dec., 1943; that there will be a tapering off during 1944, and that between December and July of next year, some 100,000 persons will be released for civilian or other needs. The tapering off will be chiefly in shipbuilding and defense projects. Over-all demand for women is still expected to increase due to greater demands in aircraft plants.

Theoretically, these layoffs may not seem such a problem in light of the fact that present demand for men in essential priority jobs is even more than the expected number who will be laid off. But the wage problem appears at this point. For the new jobs will be at a different wage level to the old. True, we could use tens of thousands of men on farms, in the woods and in other essential work but there will be a wide disparity in the rates of pay for the different kinds of work.

Thus the real problem will be to effect these transfers without serious strikes, work stoppage and unemployment. In light of the present temper of organized labor and of pre-election political fears in Canada and the United States, this promises to be no easy task, especially as the federal government is still apparently in a dilemma as to the formulation of its new proposed labor code.

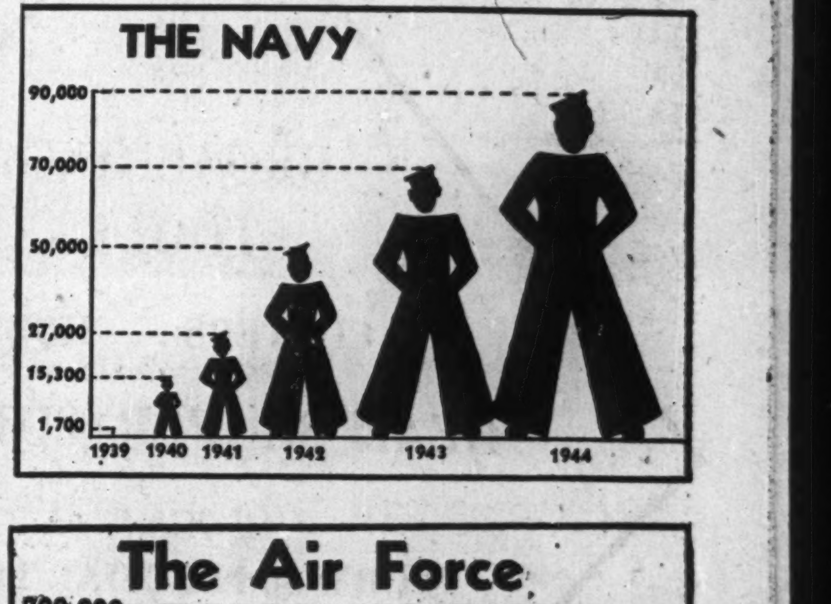


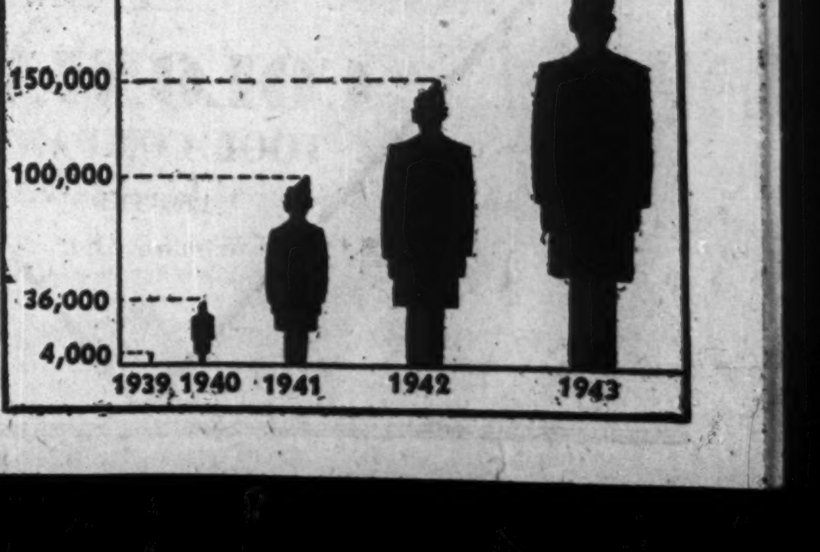


Production for Victory

— The December Report —

This Year's Achievements on Canada's Industrial Front





Canada's Shipyards

Navy Building To Hold Gains

Cargo Ship Program Is Pared Way Down for 1944

Steadily during the past year emphasis in shipbuilding has swung to the Royal Canadian Navy, the trend culminating in the year-end announcement of a heavy cut-back in the cargo ship program; reconstitution of Wartime Merchant Shipping Ltd., with Navy shipman D. W. Ambridge at the helm.

When the several score big freighters still under construction are completed Canadian yards will be concentrating on destroyers, frigates, corvettes and special naval craft.

While 290 naval ships have been launched in 1943 for a gain over 1942 of 171 vessels, or 145%, the year has brought virtually no increase over 1942's 118 cargo launchings.

Canada's naval construction schedule is to be maintained, but at the expense of the cargo program, apparently following a call to wider convoy duty with the opening of new war fronts.

A reconstituted Government-company, with D. W. Ambridge at the helm, will control all but small boat production.

For the cargo ship program the controlling will be downward, its $500 millions over-all commitment cut back to considerably less than $400 millions, perhaps to $350 millions. Although scores of big freighters are still under construction the prospect of new business has lessened.

Labor and equipment will be diverted in 1944 to lay down, launch and outfit more destroyers, frigates, corvettes and special naval craft.

Emphasis Already Changed

Change in emphasis already was occurring through most of 1943.

While 290 naval ships were launched for a gain over 1942 of 171 vessels or 145%, the year brought virtually no increase over 1942's cargo launchings, numbering about 111 of 10,000 tons deadweight and 7 others of 4,700 tons, or about 236 cargo ships in the two-year period. Only one cargo ship was launched in 1941.

Last summer's record deliveries seemed to point to bigger cargo plans for 1944. But that was after a half-year during which allied ship sinkings held graver threat, the manpower picture was not so blank and "the second front" was still an argument.

Soon it became apparent that the enemy's vaunted new marine weapons would be bested, that with the Royal and U. S. navies grooming for amphibious operations on several new fronts the big Atlantic convoy job of the Royal Canadian Navy might become an even bigger one, and that, remaining for recruitment to industry, Canada had only her 4-F men, housewives, children and the incapacitated.

Partners Build Freighters

Although the enemy in the Atlantic still is losing well over 20 submarines a month he is still sinking allied ships. Allied yards, while making up this drain, also must expand their huge new merchant fleets to guarantee supply of coming offensives.

But Canada's senior partners apparently are to be trusted to carry that load; the U. S., despite recent major expansion of naval building commitment, still is spouting Liberty ships and high output of British yards also is continuing.

Into the latest Canadian freighters greater postwar utility has been built, several "Victory" ships having been given greater speed by engines of different type, and oil burners, instead of the 10-11 knot power of the ordinary North Sands 10,000-ton vessel, which is virtually the same as the U. S. "Liberty" ship.

But how many of the remaining Canadian freighters are to be speed-equipped has not been announced yet.

Amalgamation of the waning cargo and waxing naval building programs was announced Dec. 1 by Munitions Minister Howe.

D. W. Ambridge, taking with him from M&S naval shipbuilding branch a large section of its staff, becomes director-general of shipbuilding entire, instead of just naval shipbuilding. He and his staffs will assume the work of Wartime Merchant Shipping Ltd., which will get a more all-inclusive name, as well as most of the work of the M&S branch which now will supervise only the smaller boatyards.

More efficient operation and better utilization of shipbuilding capacity is looked for from merger of the two operating staffs, Mr. Howe said.

What Mr. Ambridge and the higher-ups had in mind for the cargo building schedule was made clear at Ottawa when Mr. Howe is reported to have said it had to be cut back (one correspondent quoted Mr. Howe as saying "cut back about one third") because workers were needed in naval building and other plants.

A few weeks earlier Mr. Howe had told the Maritime Board of Trade reduction of cargo building was necessary because:

1. Skilled mechanics must be diverted to naval building;
2. Repairing of ships is now a high priority industry; and
3. Recruiting merchant crews is increasingly difficult.

Naval Deliveries, Launchings

As four big ($2 millions) Tribal class destroyers take shape on the ways or afloat in outfitting basins, the building of escort, patrol and special naval craft will be full-out for most of 1944.

HMCS Micmac, Canada's first destroyer, afloat for outfitting, will be joined within weeks by a second and not long afterward by the two others now in earlier stages of building.

When HMCS Micmac first felt water, it was a great day in the annals of Canadian shipbuilding, for not only was she Canada's biggest man-of-war but on the day of her launching, Sept. 18, 1943, no less than 11 other sizeable vessels slid down other Canadian ways—two 10,000-ton merchantmen, two frigates, a tanker, an Algerine minesweeper, a corvette, a Fairmile patrol boat and three tugs were newly water-borne on the same day at United Shipyards, Marine Industries Ltd., Davie Shipbuilding Co., Yarrows Ltd., Canadian Bridge Co., Toronto Shipbuilding Co., Midland Shipyards Ltd., J. J. Taylor & Son Ltd., Central Bridge Co., and Russel Bros. The destroyers are at Halifax Shipyards.

Yards and Factories

These simultaneous launchings on Sept. 18 neatly exemplified the activity and efficiency of Canada's 21 major yards on both seaboards, the Great Lakes and the St. Lawrence River, where modern equipment and the skill and sweat of 45,000 men and women have been putting Canada on the marine building map of the world.

Another 5,000 men and women are employed in the 60 small boatyards participating in the program. At June-end, 1943, Canada's small boat program called for 4,000 craft worth $16 millions, and was about 75% completed.

Perhaps 50,000 more, labor in 300 factories supplying components and fittings, from rivets and plate and boilers to navigation instruments.

Steel mills in Canada today are producing ingots at a rate of more than three million tons a year, well over double both the 1939 rate and the highest rate attained in the last war. New rolling and finishing mills of the latest type have been added. Two plate mills, for example, helped to increase 1943 production by nearly 300,000 tons over 1939 output, and most of this plate has gone into cargo and fighting ships.

The yards vary from shops employing 10 men on wooden boats to gigantic plants with 10,000 workers building six steel ships at a time.

Whether the industry will remain great after the war is one of the Canadian questions of the hour but, burgeoning in wartime, it has turned out, on the whole rapidly, every type of craft used in naval warfare except heavy warships.

Include Landing Barges

The 21 major and 60 smaller yards have produced lifeboats and Liberty ships, tankers and tugs, fast patrol craft, minesweepers of three types, greatly improved corvettes, hard-hitting frigates and the fast, heavily-armed destroyers. Their output includes, besides, a wide variety of special service craft, such as base and supply vessels, floating drydocks, concrete and wooden gate vessels, derrick scows, landing barges.

The 10,000-ton cargo vessels are being put together in seven large yards; the 4,700-ton freighters in two others.

A few major yards are busy on the Dominion's newly great ship repair program.

Fighting vessels are being built in 10 major yards and three outfitting yards; other types of steel naval vessels—tugs, lighters, tankers—in five smaller yards.

Vessels Sizeable, Costly

A Fairmile patrol boat with its high-speed engines costs $150,000 and is 112 feet long, to a corvette's $800,000 and 190 feet, a frigate's $1.4 millions and 500 feet plus.

It costs $1 million to build and equip an Algerine steel minesweeper of 228 feet, or a 4,700 ton freighter; $1.5 millions to build a 427-ft. 10,000-ton freighter.

Tribal destroyers, costing over $2 millions each are 377 feet long, 21½ feet high from keel to topdeck, 37½ feet wide, are armed with six 4.7 in. and two 4 in. guns, carry a complement of 240 men including 17 officers.

And more than 500 naval craft, large and small, have been delivered to service since war broke out.

During Nov., 1943, alone, 17 naval craft were delivered ready for action—4 frigates, 4 corvettes, 3 minesweepers, 6 Fairmiles—even while 15 others, 7 frigates, 5 corvettes and 3 minesweepers, were being launched ready for outfitting.

November's deliveries set up a record for any month in the war.

Two of the frigates were delivered from Montreal and one each from Quebec and Victoria. Two Algerines came from Toronto and one from Port Arthur. Corvettes came singly from Quebec, Midland, Collingwood and Kingston.

Cost of Ships by Years

Dominion expenditure for construction and repair of cargo and naval vessels in 1943 is put at $540 millions, as against $414 millions in 1942, only $184 millions in 1941 and a mere $97 millions in 1939-40.

This adds up to a wartime commitment to date of over $1.2 billions.

When peak production had been attained last September, 215 cargo vessels and 405 naval craft had been launched and substantial proportions of the 620 total had been outfitted and put in service.

Cargo Ship Deliveries Up

Some 84 of the 102 Liberty ships launched in 1942 had been outfitted and delivered by the end of that year. While the number of freighters delivered from outfitting yards in 1943 has not been announced yet, it is believed near 120.

A bare indication was given by Munitions Minister Howe when he told the Maritime Board of Trade in November that during 1942-3 Canadian yards had delivered ready for service 200 of the 10,000-ton cargo ships and 11 of 4,700 tons, while in the water as he spoke were 22 more of the big fellows and 3 more of the half-size.

It is clear that in yards building freighters, the work of ship outfitting has assumed larger proportions in 1943, probably the largest it will attain in World War 2, especially in view of the possibility that slow Liberty ships will be obsolete when the needs of peacetime trade are to the fore again.

Postwar Picture Foggy

During the 20 years before the outbreak of this war, Canada did not build a single sea-going merchant ship. Our record in wartime shipbuilding, therefore, is all the more remarkable in that it constitutes the achievement of what is virtually a new major industry.

For the balance of the war and quite possibly afterward Canadian yards will be kept busy by the Royal Canadian Navy.

But Canada has new shipbuilding skill and facilities and it is not unlikely that Canadian operators are even now studying ways to get building costs for cargo ships down to somewhere around postwar competitive levels.

Whether they succeed or not they may look forward to a substantial postwar job in the conversion of Liberty ships to faster power.

Like these 50,000-lb. anchor chains being electro-welded in a Vancouver plant, Canada's wartime shipbuilding industry is largely made up of a series of units. These are the nearly 400 sub-contractors who supply component parts from factories across the Dominion to the shipyards where assembly is completed.

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CHINA FIGHTS INFLATION

China is planning to combat inflation by buying $200 millions (American) worth of gold. The methods to be adopted in combatting inflation, however, have not been reported.

Chang Ping Chun, counsellor of the executive Yuan, claimed that actual carriage of the gold would not have to await re-opening of the Burma Road. The gold would be bought with part of the $500 million loan granted China by the U. S. in 1942.

A YEAR'S MARCH NEARER
VICTORY

In reviewing our year's business, we see that an increasing proportion of our production was devoted to service equipment in our war plants. And we are happy to know that our products are doing their part to hasten victory.

Also, we are looking forward to, and planning, for the days ahead, when it will be our privilege to again supply industrial cooking equipment to a peace time world. The opportunity now affords itself to supply you within reason.

We wish you all a very merry Christmas and a happy New Year.

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Chile's Price Control Novel

A partial system of price control has been in effect in Chile for over 10 years, but differs radically from that in Canada.

At the outset prices were fixed by the Board set up by the Chilean Government for what were termed certain foodstuff items of prime necessity. These included rice, flour, beans, meats and other foods entering into daily consumption. As time went on others were added and prices were constantly revised upward.

As a result, although a system of price control has been legislated, in practice it can hardly be said to have worked well. The present price structure reflects the high cost of living in Chile. The so-called fixed prices, in comparison, are almost on the same level as those for other products whose prices are not controlled.

There is no control or stabilization of wages, rents, clothing, the law of supply and demand governing the situation. With the present scarcity of goods, houses, etc., prices for these have risen and are continually rising to abnormal levels.

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SERVICE AND REPAIR SHOPS AT POINTS MARKED *

New Markets For Our Mills

Metal Producers Adjust to Changing War Demands

This year's iron and steel output in Canada is not likely to reach that of 1942; will probably be down about 10% for pig iron and 2% for steel. The reason has been shortages of labor, strikes and difficulties in keeping raw materials up. But at the same time there has been a gain of almost 5% in alloy steel suggesting further developments of the basic changes which war is bringing. Now the shifts in war demands appear to be easing the peak needs for steels and placing more emphasis on other items which are not so primarily users of steel. Civilian supplies may benefit moderately, a trend likely to be accelerated in 1944.

On the basis of the figures available to the end of Oct., 1943, it appears probable that Canada's iron and steel industry will this year produce 1,780,000 tons of pig iron, down 9.9% from 1942; that it will produce 223,000 tons of ferro alloys, up 4.6% from 1942; that steel production will total 2,880,000 tons, a drop of 2.2% from 1942; and that steel castings will total around 306,000 tons, down 12.3% from 1942.

Taking the production of steel ingots alone, it appears that Canada will turn out this basic war material at approximately 80% of our present rate of capacity of 3.5 million tons a year.

Why does Canada's production of iron and steel appear to be dropping before the war is won?

A large part of the answer lies in the wartime scarcity of labor, and in the labor unrest, the strikes and slow-downs which have accompanied the pressure for higher wages throughout the steel industry. Difficulty in arranging for a steady supply of coal in the face of labor disturbances in the coal mines of Canada and the United States has also played an important part.

Curbing a Slump

But in spite of these difficulties, the industry was able to keep steel production to a nominal decline, while the production of ferro alloys actually showed an increase.

Canada's more extensive use of ferro alloys in part reflects the coming of age of the Dominion's magnesium production plant at Renfrew, Ont., which uses ferro silicon in its production processes, and in part reveals the continuation of the trend toward the use of more and more varied alloy steel in manufacturing.

This trend is further indicated by the fact that in the first ten months of 1943 production of alloy steel in ingots totalled 329,899 tons, a gain of 13.5% over the corresponding period of 1942, and a figure not far short of the total production of this type of metal in 1942 which reached 348,740 tons.

Coincident with this increase of alloys in the steel ingot category was a drop in steel alloy castings of nearly 33 1/3%, nearly three times as great a drop as for the steel castings as a whole.

Basic Conditions

These cold statistics point to two *basic* underlying conditions in the development of Canada's war effort during 1943.

The increasing use of alloy steels points to a substantial gain in what might be termed "the sophistication" of Canadian industry and its extension into new fields which are placing greater demands on the resources of metallurgy. Along with this, and making this development possible, has gone a substantial improvement in the supplies of alloy materials such as tungsten, manganese, chrome, molybdenum, and of course nickel.

The second factor has been the drastic change in the character of the materials of war which have been demanded from Canada.

During 1942 and the early part of 1943, the possibility that German submarine warfare would defeat the United Nations was still very real. Only towards the end of 1943 did the U-boat appear to have been conquered, and with its downfall, emphasis began to shift away from the building of cargo and escort ships, both of which are heavy consumers of steel plates and castings. During the past year, too, the two plants in which Canada had been manufacturing two types of tanks were shifted to other duties, thus relieving some of the demands for heavy steel castings.

Recently, "Canada at War," the official government publication, listed the increase in production rates for 1943 over 1942 in this order: signals and communications equipment shows a gain of 100%; machine guns and small arms 50%; small arms ammunition 30%; guns 15%; chemicals and explosives 10%.

By the year's end, this change had not resulted in any decrease in the total demand for steel, since many of the plants which had completed some of their original large orders for full units were still working to capacity on spare parts and replacements. Where this did not prove to be the case, any apparent surplus in the supply of steel was being quickly absorbed by essential civilian users.

Top position in the essential civilian classification has gone to new equipment for the railroads both in Canada and abroad with heavy orders coming from India. At the same time, there has been a more liberal allocation of steel to such purposes as the manufacture of tin plate for tin cans, a job that is becoming more and more vital as the need for supplying foodstuffs to a liberated Europe comes nearer.

In earlier editions of The Financial Post this year, the stories of two of the steel companies of Canada, Dominion Foundries & Steel Co. and Dominion Steel & Coal Co. have been told in the "Investing for Tomorrow" series.

Although they differ in detail from the following statement of D. B. McCoy, General Sales Manager of the Steel Co. of Canada, the story which he tells is fundamental to the industry as a whole, including the other primary producers such as Algoma Steel and Atlas Steel, as well as the companies which work on finished steel. Here is what Mr. McCoy tells of his own company:

"Steel ingot production in 1942 for all Canada was 97.5% greater than in 1939. In the case of this company the corresponding increase was 110%. In addition, we have purchased very substantial tonnages of semi-finished steel at a high cost in order to keep the various finishing mills of the company as fully occupied as available manpower has permitted and thus produce the maximum possible tonnage of steel in finished rolled form. Through these purchases the ingot production of the company has been augmented by more than a quarter of a million tons since war was declared, and it was possible in 1942 to roll a tonnage of ingots 129.8% above 1939.

"Stelco is producing more than 50% of the total Canadian production of alloy steel bars. Because of outstanding results from our armour piercing shot steel, a special alloy, we have been established as the Canadian source of supply.

"We designed, erected, and are operating for the government a shell forging plant which has produced a large share of the total shell forgings machined in this country. While substantial tonnages of shell steel have been purchased, this plant has consumed, in addition, a large tonnage of high grade steel of our own production.

"The new 110-inch plate mill, installed entirely at our own expense, has produced approximately half a million tons of plates since operations commenced March 31, 1941. Some measure of the strain the war has placed upon the company's steel-producing capacity may be gained from the fact that the tonnage of steel ingots required for the current rate of plate production is equivalent to practically two-thirds of the maximum annual ingot production ever attained during the pre-war period. This mill established its latest monthly record production of 21,305 net tons in July, 1943. It has rolled more than 40% of the total plate tonnage consumed in Canada's tremendous ship-building program.

Miscellaneous War Uses

"In addition to plates, we are producing large quantities of rivets, bolts, welding rod, pipe, and anchor chain bars for the ship-building industry.

"The army vehicle and tank programs have depended upon us for substantial amounts of spring steel, sheets, pipe, drop forgings, wire, bolts, screws, rivets, nails, cotter pins and other specialties too numerous to itemize.

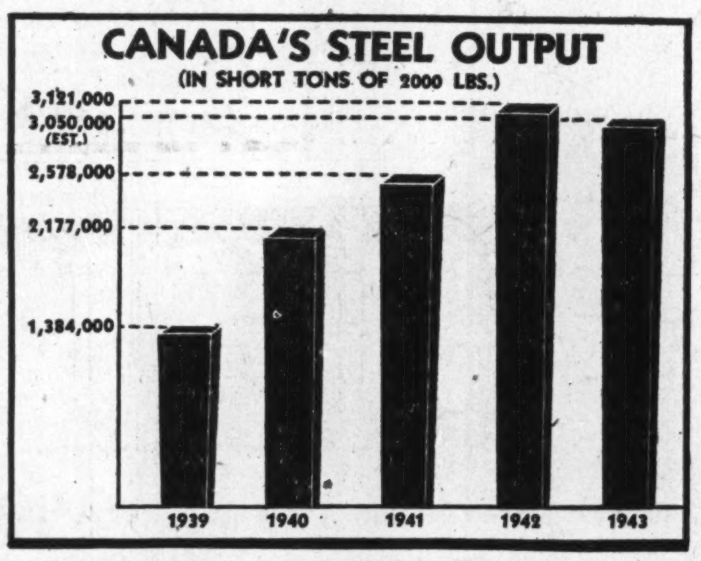
"Our aircraft division is servicing one of Canada's newly expanded industries by capacity production of low and high tensile aircraft bolts, steel and aluminum rivets, special threaded nails, shackle and cotter pins, and wire for aircraft control cables.

"Ammunition boxes have consumed important tonnages of sheets, wire, bolts and rivets.

"Our wire departments have undertaken to provide, to rigid specifications, large quantities of special wire for anti-torpedo nets, boom fences, ships' rigging, hawers, signal equipment, wire rope and small arms.

"Improvements in production methods and development of carbide die tools have made it practical to produce, by cold heading, specialties formerly made on automatic screw machines. These developments have resulted in conservation of strategic critical materials and manpower. Typical examples are firing pins, primer plugs, hand grenade and trench mortar pins, and Admiralty bolts.

"The importance of the railroads to the war economy is unquestionable. Their requirements of spikes, track bolts, tie plates and angle bars have risen with the increase in rail traffic and have likewise consumed heavy tonnages of steel."



Christmas 1943

LET OUR FAITH IN THE MEANING OF CHRISTMAS

"On Earth Peace, Goodwill Toward Men"

GIVE GREATER STRENGTH TO OUR PEACE-LOVING HEARTS.

Let us renew our efforts in the mighty cause to hasten the dawn of a brighter world, a world more free than it has been in the history of man. Let's work to win, so the Christmas Bells of this year will be VICTORY bells Next Year!

IN THE WORDS OF THE RIGHT HONOURABLE WINSTON CHURCHILL: "We must move forward together, united and inexorable. Thus, with God's blessing, the hopes which we are now justified to feel, will not fail or wither. The light is broadening on the track, and the light is brighter too . . . Be steadfast, then . . . 'Keep right on to the end of the road, Keep right on to the end.'"

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You've heard plenty about P-38's and the pilots who fly them. But under the tough conditions of modern war, they wouldn't be flying long without the third part of the team—the ground crew. The men who keep Lightnings in action are specialists. They've been trained at the factory, not just to repair *airplanes*, but to repair *Lightnings*. At Lockheed's service school they have taken them apart and rebuilt them. They have put in new hydraulic and fuel systems, new wiring and controls. They have learned to make emergency repairs—like fixing a riddled gas tank with tin cans and scraps of rubber. They know how to get a plane back into the air and *keep* it there.

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Chemicals Industry

New Products Help Chemicals

Reduction in Explosives Won't Leave Industry Idle

With plant reconversion already under way in their business it may be supposed Canada's chemical industries are among the active postwar planners. For them the planning will be simple, the physical transition relatively easy, with fewer tools and plants to scrap or rebuild than, say, the automotive industry. For them the heavy headwork will be in product development and marketing.

Will high industrial output after the war, and new chemical synthetic products, prove effective offset to withering in war chemicals?

The synthetic crystal ball may hold some of the answers. Meanwhile industry leaders are moderately optimistic. One of these is Canadian Industries Ltd., firmly moored in prewar industrial expansion, big builder and operator of munition and war chemical industries for the government.

Hopeful for Synthetics

G. W. Huggett, C.I.L. president and managing director, is hopeful on the score of the new synthetics. His idea, as set forth in a recent review, is that chemistry's recent discoveries will help immediately to produce better articles and wider selection despite vigorous competition of natural products, new metals and alloys.

He thinks that, as in the past, development problems for some years will stand in the way of large-scale commercial manufacture of some items, but that, nevertheless, chemical and other research is opening up new frontiers even more glittering than those of the land settlement and development era.

Mr. Huggett's warning is that popular expectation may be pitched too high; he suggests the public is expecting too many practical uses for plastics, for instance.

The CIL president commands close attention when he says production feats as great as those of war are possible later. His general proposition is for "creation" of buying power, combination anew of the efforts of farmer, worker, technician, engineer and industrial manager to sustain war-doubled output of goods and services.

Initial Reconversion

Shifts of emphasis forecast early in 1943 altered many aspects of the war chemicals program during the latter half of the year. Peak output had accumulated supplies in heavy reserve and cordite and TNT were being produced in diminished quantities; surplus output was being diverted to the U. S. Ammunition filling processes were changed when obsolete weapons, such as the Boys anti-tank rifle, were abandoned.

Plants built to manufacture explosives recently have been converted to fertilizer production and this "swords into plowshares" process for chemicals may be expected to continue slowly through 1944.

That much was indicated by Munitions Minister Howe when he told several recent meetings that war chemicals and explosives are one department of the Dominion's munitions program in which decline is under way, unlike, for example, aircraft and naval building.

The work that remains is replacing wastage, developing and producing improved weapons.

"There is in process," Mr. Howe said in November, "some reduction in guns and ammunition; certain weapons have become obsolete, others no longer required in great volume.

"Demand for explosives is being reduced accordingly . . . partially offset by demands for new weapons; but in general the gun and ammunition program is past its peak. Certain plants making explosives and filling shells must close."

But Mr. Howe thought the prospect of longer war against Japan would brake reconversion generally.

Destiny of One Plant?

As a Maritime illustration of postwar possibilities, Mr. Howe pointed to these provinces importing chlorine while holding the big Malagash salt deposit. He suggested a portion of one of the explosives plants could be moved and the Maritime salt industry made a successful enterprise.

At Nobel, the Defence Industries Ltd., plant is being closed down in stages, to be complete by spring. About 1,400 workers in January alone will be channeled into higher priority work out of a total force of about 4,000.

Near Niagara Falls, the Welland Chemical Works will shift to peacetime production, Mr. Howe is reported to have advised a municipal council which had heard it would be among the plants to be closed.

At Calgary, Alberta Nitrogen has manufactured ammonium nitrate in such quantity that a surplus has been made available on the fertilizer markets of both Canada and the U. S.

These are incidents at random, serving to illustrate a shift away from war, indicating that for this field at least the time has come for blueprinting the future.

Canada Speeds "RDX"

But since there is a high explosive war to be won and new allied offensives taking shape, Canada is increasing production toward unlimited goals of at least one explosive.

That explosive is RDX, the world's most powerful, whose process was radically improved in Canada before the war was very old and which now is reaching war fronts in quantity. Whatever the future may hold for the synthetics, such as Polymer rubber and the plastics, wide and immediate success is greeting RDX. Possibly, as an engineering aid, it too will extend its power into the peace.

RDX is the official name for a British explosive processed in a Canadian way, equal to the parent product in explosive power but radically improved in a process enabling "mass" production.

U. S. co-operation during experimental period resulted in further increase of process efficiency by an important modification developed at the University of Michigan by Dr. M. Bachman.

But the process development has been largely Canadian, beginning at McGill University in 1940 under Doctors J. H. Ross, H. S. Sutherland, R. W. Schiessler and R. Boyer; with a later contribution by Dr. George Wright, of the National Research Council and University of Toronto, enabling continuous operation instead of batching.

Plant One of 1942's

In 1942 the Chemicals and Explosives Production branch of M&S built a special plant where, since August of last year, the white, sugary RDX is now made in Canada under direction of Allied War Supplies Corp.

Detonation of a TNT cartridge will bend and toss a heavy steel beam; RDX shears the beam like scissors cutting paper, and the Canadian speed-up will result in the destruction of a good many enemy strongpoints that might have been neglected for lack of adequate supply.

The Industry Today

War has both hastened and slowed development of the chemicals industries in Canada and of research in industrial chemistry for civilian needs but the fact that stands out is that war has brought over-all gain, in plant, in trained personnel, in research facilities, in hastened development of several processes of synthesis, notably for plastics, plastic bonding, synthetic rubber and synthetic fibres.

Before the war the industries enjoyed striking growth and this is seen by many as warrant for belief they will enter peace in strong and active condition. After World War 1 (in 1920) there were only 451 plants in Canada, large and small, and they represented a capital investment at the inflated values of that year of only $114 millions. When World War 2 broke out (1939) there were in operation no less than 808 plants, representing $173 millions capital investment.

61 New Wartime Plants

Between 1939 and 1942 another 61 plants were built and $238 millions more invested, mostly from public funds.

At the past year's peak production, some 90,000 were employed in the grand total of 869 plants but 25,000 of them were filling ammunition and another 25,000 producing explosives, their ingredients and other military chemicals.

Value of all chemical and allied output in 1939, war and non-war, was $160 millions. In 1942 it had grown to around $472 millions for a $312 million gain. This gain is largely due to output of war chemicals and explosives.

Official records value 1939-40 production of war chemicals and explosives, including shell filling, at a mere $2 millions, 1941 at the more respectable figure of $50 millions; 1942 at $128 millions and 1943 at $152 millions, a total of $332 millions.

A million tons of 18 basic types of war chemicals and 11 types of military explosive have been produced to date under Government program, no less than half of it, or 500,000 tons, in 1943 as against 430,000 tons in 1942.

The New Independence

In this war, unlike the last, Canada has filled her own shells, torpedoes, land mines, depth charges, aerial bombs, etc. The last of the government-owned plants have, within the past year, rounded out the Dominion's facilities for every process from raw material to battle-ready product. And substitution of wood pulp for cotton linters for cordite, etc., has shown how Canada can cut costs while strengthening her independence of outside help.

Also stimulated by the war have been many commercial branches of the industry, pharmaceuticals by military demand for drugs and biological products, such as the sulfa range, penicillin, etc.; industrials by wartime aircraft development consuming plastic products.

Entire output of some commercial chemicals, such as certain of the synthetic fibres, is taken by the armed forces. And expansion in the heavy and metals industries has drawn heavily on production of fluxes, degreasing compounds, cleansers, alkalies, acids.

The whole record of Canada's wartime expansion in chemistry is eloquent of her new degree of industrial self-sufficiency; is one more element that could strengthen a bid for high peace goals.

Thirty-nine of the largest plants in the Canadian chemicals field are government-owned; producing military explosives or ingredients, and charging ammunition.

Within this temporarily dominant annex of the industry swords already are being beaten into plowshares; capacity and stockpiles are seen more than enough for new weapons and new fronts; fertilizers are being exported as well as cordite and TNT; and some of the plants will be closed.

But an industry that of itself added 357 plants between wars to the 451 plants in operation in 1920, is not too worried about reconversion. Canadian industrial chemistry expects to resume its growth before very long, and this, with the new help of the chemical synthetics — plastics, fibres and the like.

Among nearly 25 types of bombs made in over 200 munitions plants from coast to coast, Canadian war industry has supplied her fighters and their allies with vast quantities of 500-pounders like these for aerial warfare. In the picture, taken in a Quebec plant, a bomb-filler stirs his charge of TNT

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China to Standardize Industrial Products

Following extension of industrial loans, the Government of China has decided to standardize industrial products that production can be centralized and its costs, as well as working capital, minimized.

Since 1937 there have been established standardization drafting committees for medical instruments, chemical engineering, and the mechanical industry. But as various industrial institutions such as the Central Machinery factory, the Ming Sun Machinery factory, and government ammunition plants still maintain their own standard, the National Bureau of Standards is making efforts to fix a general standard for all products.

"INVISIBLE" WIRE

Nickel alloys are now available in almost any size from giant forgings as big as the gate stems in Boulder Dam to wire of split-hair fineness, says the fall, 1943, number of Inco.

Some wire of this metal is so fine that a pound of it would stretch more than 80 miles

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Hydro, created and operated to supply adequate low-cost electricity to improve our way of living in normal times, has enabled Ontario's industries to meet the war emergency. In the race between production and disaster, Ontario and your Hydro have kept abreast of the war needs. It will be thus until the day of Victory. Then, Hydro's main effort will once again be directed to its peacetime service of helping industry produce the work-saving, time-saving, pleasure-giving conveniences that make for better living in the home and on the farm.

Meanwhile, the same determination of the people, the same qualities of courage, patience and self-discipline which created and expanded Hydro are still needed to see the war through. The Peace, so nearly won, must not be jeopardized by public complacency and over-confidence.

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HAVE GONE TO WAR

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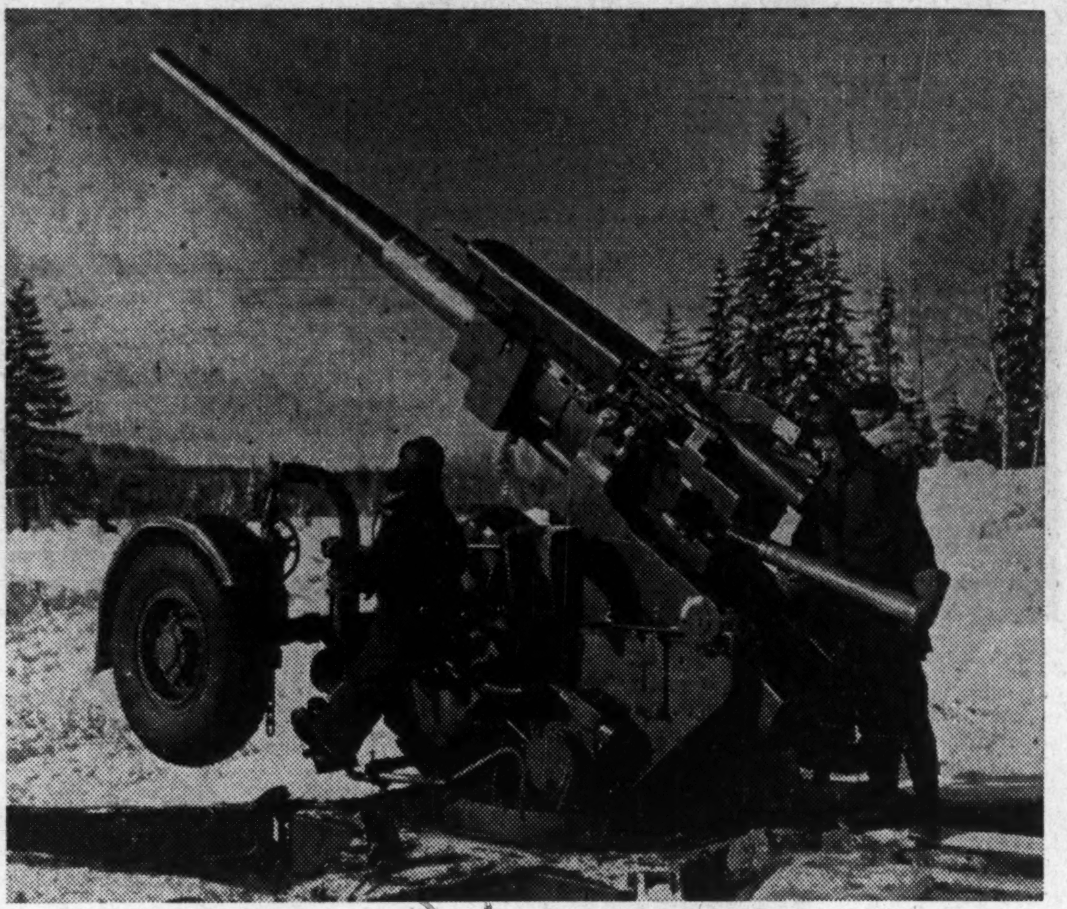
Heavy Guns

Emphasis On More Firepower

Program Calls for Smaller, Faster-firing Weapons



One of the heaviest land guns being built in Canada is the 3.7-inch ack-ack gun. One of them is shown here on a Quebec proving range where civilian ordnance specialists are testing projectiles. The 3.7 weighs as much as a city bus, is mounted on heavy pneumatic tired wheels, has a high degree of mobility.

The past six months has seen the emphasis in gun production undergo a swift change—a change in character of output rather than in quantity.

Now it appears that the coming year will see Canadian factories make as many guns as they did the past year—but on the average they will be of smaller calibre.

Emphasis now is on more and more firepower. The trend is toward growing use of multiple mounts for quick firing guns with the object of attaining maximum possible destructive force both for anti-aircraft protection and for the attack on both land and sea.

Testimony of the shifting gun production program is the disappearance of first the two 2-pdr. and then the 6-pdr. anti-tank guns; of reduced plans for the Bofors gun plant and an easing in the program for 25-pdrs.; in the shift in naval guns from the original 3-in. gun to the more powerful 4-in. now being made with several types of mountings.

Even production of the famous 25-pdr. for which an entirely new factory was built at Sorel early in the war is being reduced in favor of mounts for the 5.5-in. gun now becoming more favored for field use. This same plant built for 25-pdrs. is now also turning out 4-inch naval guns, the 4-inch naval gun being used in place of the older 3-inch gun in arming merchantmen.

More 20-mm. Guns

Production of 3.7-in. and 40 mm. Bofors anti-aircraft guns will carry on at a reduced rate to the end of 1944. But in spite of sharply curtailed current output, the plant which has been the kingpin in Bofors production is expected to be as busy as ever again by next spring, working on mountings for the 20 mm. gun and sub-contracting.

The 20 mm. gun is now being turned out in great quantities. It is a versatile gun which is being used for field, anti-aircraft and naval purposes. A fixed ammunition gun, the 20 mm. weapon fires a shell just under seven-eighths of an inch in diameter.

The field edition of the 20 mm. gun fires armor piercing, high explosive and tracer ammunition. On theory that an armor piercing shell can pierce its own calibre of armor plate, the armor-piercing shell can penetrate seven-eighths of an inch of armor. The fixed character of the ammunition contributes much to the rapidity of fire. For naval purposes, the 20 mm. gun is mounted on Oerlikon mounts.

In the re-oriented character of the Canadian gun program, Canada is producing mountings for the 5.5-in. gun announced by Prime Minister Churchill recently. This 5.5-in. gun was previously on the secret list. The older 4.5-in. and 5.5-in. guns, use the same mount and for some time this was important consideration in military strategy.

The enemy, with field glasses, might note the presence of a 4.5-in. gun mount. What they didn't know was that the gun mount often held a 5.5-in. gun capable of hurling a much heavier projectile.

In the naval ordnance category Canada is making three versions of the 4-in. naval gun alone. Three-inch naval guns are no longer being turned out. The 40 mm. Vickers naval gun is still being produced along with naval pom-poms.

While Canada will probably make as many guns as last year, 1944's production is going to emphasize smaller calibres on the average. Quick-firing guns on multiple mounts are coming off production lines in rapidly growing numbers. At the same time production of well-known types is being curtailed. In some cases, heavier guns are being made — as for instance a 4-in. naval gun instead of the older 3-in. Self-propelling gun mounts are now coming from factories formerly making tanks while the rapid-firing 20-mm. gun for anti-aircraft, naval and land use is getting increasing emphasis.

Make Guns for Allies

Canada turns out many products which belong to the heavy gun category. Among these are a third type of heavy anti-aircraft barrel which we are making for others. We have manufactured tank guns and mountings, bomb throwers and two and three-inch mortars.

Curtailment of tank production in Canada has brought new emphasis on gun production. The plant formerly making tanks is being turned over to production of self-propelled artillery. This does not reflect any basic belief that the tank has no longer a place in modern war but shows the emphasis on artillery which is highly mobile and the improved tank supply situation.

Production totals show that heavy gun production has been forging steadily ahead despite easing off in some categories. Naval and army gun production, including separate barrels, carriages, and mountings, has reached a peak of 45,000 units in 1943, far ahead of the 31,000 total of 1942. By the end of this year gun shops will have turned out 80,000 army and navy gun units, barrels, carriages or mountings.

Last March, Canada celebrated production of the 15,000th complete heavy gun. Many other guns have been completed since then. But it is understood that present plans call for the turning out of perhaps as many additional guns as have already been produced, although on the average they may be of smaller calibre.

Canadian-made Improvements

Numerous improvements in gun and gun mount designs have been introduced by Canadian engineers working in the many plants which turn out these products across Canada. As the war has progressed, changes have become more marked.

Not only have changes been made which have resulted in improved gun design but methods have been worked out which have resulted in the saving of many thousands of hours of machine shop time and millions of dollars of scarce raw materials such as copper, tin and machine tools.

Take the 25-pdr. which after all has been one of the biggest projects in the Canadian gun program. The use of milled steel plates in the gun carriage, cut to size, stamped and welded, instead of nickel steel plates which have been stamped, forged and riveted, has resulted in an annual saving of a ton of nickel, 150,000 hours of labor and six machine tools—or $850,000.

Substitution of a steel forging, partly machined and welded together with steel plates, for a solid steel forging, resulted in saving 60 tons of steel, a saving of 150,000 hours of labor, a saving of 4 machine tools—or $650,000. An annual saving of $202,000 for wheel hubs for the 25-pounder is also reported. Great strides have been made in reducing unit costs per gun.

A saving of 2¾ million pounds of high alloy steel, 108,000 hours of labor, 14 machine tools and $1.1 million annually is reported for a new method of turning out the breech ring for the 3.7-in. anti-aircraft gun. Canadian manufacturers have successfully substituted alloy steel castings for high alloy steel forgings to accomplish this saving.

Better Naval Guns

A good example of what has been done in the way of improved design is provided by the 4-in. naval gun. As pointed out by Canadian Machinery in its Nov., 1943, issue, not only have changes been made which have resulted in machine shop and raw material economies, but the gun has been improved to expedite rapid firing by a re-designed mount accommodating a second man at the aiming controls.

Experience in gun production accumulated the last few years has assisted materially in the rapid tooling up for the 20 mm. gun with its universal mount for both field and anti-aircraft purposes.

The use of malleable castings in place of steel castings, cast iron instead of brass, has not only gone a long way toward saving urgently needed raw materials but has provided information which may be used to advantage after the war.

In the last war, Canada turned out no heavy ordnance at all. Not even a gun barrel had been made prior to Sept., 1939. Since that date Canada has not only turned out a wide range of field, anti-aircraft, anti-tank and naval artillery, but has also developed her own self-propelled gun mounts.

The heavy ordnance industry was built up in the face of special difficulties. The need for highly trained personnel was complicated by manpower shortages; metallurgical problems were aggravated by shortages of critical alloys and metals. The institution of training schools for workers assisted in overcoming personnel problems.

Peacetime Firms Help

Many plants have been especially tooled for production of heavy armament and it has been possible to convert scores of existing plants from peacetime output to the manufacture of various ordnance components. Firms such as Massey-Harris and Sawyer-Massey, producers of agricultural implements, have turned to gun manufacture.

Approximately a fifth of Canadian and U. K. commitments for special plant capacity in this country has been for the manufacture of guns and the Dominion Government is expected to have a big stake in gun plants at the end of the war.

Conversion of gun plants to peacetime production presents problems but is not regarded as an impossible task. Gun lathes may be used for work on axles for freight trains, etc. In some cases, it will only be a case of converting back to ordinary peacetime production. Undoubtedly a backlog of deferred work has built up which may provide an incentive for conversion of gun plants after the war.

Canada's War Output Record

	1943	1942	1941	1939-40
	Millions of Dollars			
Misc. military stores, clothing, personal equip., foodstuffs, fuel, etc.	540	414	184	97
Mechanical transport	446	373	202	119
Cargo and naval vessels, including repairs	423	256	102	27
Aircraft (incl. overhaul)	341	217	101	42
Armored fighting vehicles (including tanks)	225	152	20	....
Guns and small arms	196	156	20	1
Gun ammunition (including bombs)	195	218	95	14
Instruments and signals	183	90	15	3
Chemicals and explosives (including filling)	152	128	50	2
Small arms ammunition	75	39	16	2
Totals	2,776	2,043	785	307

Note: **Comparative figures prepared for The Financial Post by Department of Munitions & Supply.**

Big Oil Pool Saved the Day For U. Nations

U. S. Undertook to Supply 65% Oil Needs Till Sea Lanes Cleared

Pooling of oil resources controlled by the United Nations in the Middle East has been important in Allied victories in tnat area.

In deciding which of the available oil sources should be drawn on, most important factor has been available tanker tonnage in relation to sources of supply.

Before the war Britain possessed 500 tankers of 500 gross tons and upward, a total of 3.2 million gross tons. The U. S., excluding tonnage used only on the Great Lakes, owned approximately 430, totalling 2.8 million tons. Since the war substantial proportion of Norway's tanker fleet of about 270 ships totalling 2.1 million tons has come into Allied hands as well as some from Netherlands, Belgium and Fighting France.

Therefore, as chairman of the British Supply Council in North Africa stated, "one tanker could carry either 10,000 tons in a given period from Abadan, Persia, or 25,000 tons from the Caribbean" to the North African war theatres, the U. S. supplied about 65% of oil requirements for those operations. Now, with sea lanes through the Mediterranean open, the proportion of oil from British sources will increase.

Chief oil producing territories from which Britain and the U. S. draw supplies are: (1) U.S.A., (2) Latin America; (3) Middle East; (4) West Indies. Carrying the pooling idea further, much of the Latin American oil is British-owned while the U. S. has extensive interests in the Middle East.

For instance, 24¾% of Iraq oil belongs jointly to Standard of New Jersey and Socony Vacuum companies; 100% of the Bahrein oil fields are owned by American companies. Saudi Arabian oil fields are largely owned by Standard of California and the Texas Corp.; 50% of the undeveloped Kuwait fields (N.W. of Persian Gulf) is owned by U. S. Gulf Oil

Following are figures for crude oil production in major areas before and after America's entry into the war.

Source:	1941	1942*
	Million Tons	
United States	191.4	188
Latin America	41.4	31.2
Middle East	13.9	13.8

*Estimated.

"The taking of hardly any but high octane spirit from Abadan has been inconvenient and unfortunate from the point of view of that oilfield," says the British Petroleum Secretary. "We have had to pump back into the ground large quantities of heavier oil. Had there been tankers available we would much rather have had it carried away."

New Moisture-proof Wrap Protects Vital War Goods

From the laboratories of industries numerous discoveries are coming which show how science is transforming present-day and future life. One of the small but significant developments is "No-Rus-Rap."

Canadian officers back from the war zones have stressed the need of effective packaging of war materials to protect them from water damage. "Boxes may be dredged by steam winches from deep in a ship's hold to be tumbled into wave-tossed lighters miles from shore, then landed on warehouseless beachheads and piled exposed to the elements for days or weeks," they point out.

"No-Rus-Rap" meets these rigorous conditions, thanks to the activity of the packaging experts.

It is a moisture-proof, salt-spray proof wrapper made of tobacco cloth, kraft paper and "Cellophane" and treated with a special wax. Now radio sets, radar equipment and other delicate instruments are sent on their way to the war zone, proof against rust and other defects caused by moisture.

The new wrapper, says Wartime Packaging News, has been developed in three types. One is tacky and self-sealing and is used for wrapping radio, radar and field telephone sets as well as auto and tank parts and field rations. The second type is dry and is used as a case liner to ship the same type of materials, while the third combines cotton sheeting and "Cellophane" and is used for molding to individual parts, for gun sleeves, rifle sleeves and breech and muzzle covers for 40 mm., 90 mm. and 75 mm. guns.

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R.C.A.F. Photo

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PLANNING AHEAD

The battles that will bring Victory are being planned now. Success depends on sufficient, thorough planning — and the plans being made today are more likely to succeed because of the large accumulation of experience that is now available.

Industry too will soon be "planning ahead" and also has a lot of fresh experience that will help toward future success.

When you are "planning ahead" it would be well to remember that the STOKES organization has already found the answers to many of your questions. If you are thinking of rubber or plastics in any form — talk it over with STOKES. The STOKES organization, which includes research, designing, engineering and production facilities, has much to offer you in the way of helpful experience acquired in well over twenty years in the industry.

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Military Vehicles

Transport for the Battlefronts

Canadian Vehicle Production Holds Peak Levels

Photo, General Motors of Canada.

A Canadian-built reconnaissance car of the type which played an important part in winning the battle of the desert. This one was pictured during a 1,500-mile test trip from Cairo to Tripoli. Its driver reported that the road was "very rough and full of potholes," emphasizing how severe are demands made on today's fighting vehicles, hundreds of thousands of which have gone from Canadian factories to fighting fronts around the world.

In four years of war Canada's automotive industry has produced 600,000 military vehicles, not including armored units such as universal carriers and tanks. With production now running at 4,000 units a week, this means an annual rate of 208,000.

Assuming that production of a military vehicle takes at least twice as much labor and materials as that required for its civilian equivalent, it is apparent that production this year and last is equal to some 400,000 civilian vehicles per annum, or enough to entirely replace the automobiles in use in Canada every three years.

Perhaps the best way to assess the wartime job that has been done by Canada's automotive industry is to compare its wartime production with normal peacetime requirements.

Up to Dec. 31, 1943, total production of military vehicles, not including armored fighting vehicles such as universal carriers and tanks, is officially estimated to have reached a total of 600,000 units. For 1943, output is estimated at 177,000 units, against 1942's total of 200,000. By the end of 1943, with production running 4,000 units a week, the industry is producing at the rate of 208,000 military vehicles yearly.

Since most of the vehicles produced involve at least twice, and sometimes considerably more than twice, the amount of labor and materials needed to produce a civilian commercial truck, it is apparent that the production rate established in 1942 and 1943 is the equivalent of at least some 400,000 civilian vehicles per annum. When it is considered that this total is arrived at without including Ford's mighty contribution of universal carriers or General Motor's heavy production of armored cars, it is apparent that even this figure is conservative.

How does this current production of the equivalent of 400,000 normal vehicles per annum compare with previous records?

Against the depression figures, current production is running at approximately seven times the figure of 60,789 units produced in 1932. It is twice as high as the 207,463 produced in 1937, and is nearly three times as high as the 155,426 produced in 1939.

The current rate of production, viewed against the total automobile "population" of peacetime years, would serve to replace the entire stock of motor vehicles in approximately three years. In 1933 the total motor vehicle registration of Canada was 1,083,178. In 1939, this had risen to 1,439,245.

In short, if the automobile industry continued to produce at its present rate, it could entirely replace the automobiles in use in Canada once every three years.

Looking at it from the opposite point of view, throughout the 1930's the new car consumption in Canada ran fairly steadily at about 10% of the total registration of vehicles in the Dominion. Hence, the present rate of approximately 400,000 cars or their equivalent per year would permit Canada to maintain a car "population" of four million units, or one car for every three people in the Dominion compared to the present ratio of about one for every nine.

Undoubtedly this amazing production record constitutes one of the greatest production achievements of the Dominion of Canada during the war. Virtually all the plant and equipment needed to bring about the increase has been provided by the automobile industry itself and will be a more or less permanent addition to Canada's productive capacity.

Operations Maintained

Canadian made vehicles have seen service on every fighting front, and at a time when some other lines of Canadian production are being curtailed the motor vehicle production has been officially stated to be scheduled to remain at the present peak for at least nine more months.

Although production of motor vehicles was one of the first fields in which Canadian industry attained its full wartime objectives, there has been a fairly marked trend toward further diversification of output and toward the production of more involved types of vehicle.

It should not be inferred from this that the industry was not capable of producing the more complicated vehicle in the early days of the war. What has happened is that the industry has at all times been able to meet the demands placed on it, and that latterly the demands have run to the more complicated type of unit.

Emphasizes Shift

Hence, a change in military conditions on the fighting front might at any time lead to a demand for more of the simpler type of unit, the 800 cwt. general purpose truck, the gun tractor, or the standard lorry.

But in the meantime, the emphasis has more recently been placed on the field workshop type of unit. These field workshops are used for making repairs and replacements of all sorts on the field of battle. Initially, the majority were of the four wheel drive, type, later a six-wheel drive unit has been more in favor.

The workshops carry on a wide diversity of work on the battle front. There are office trucks, dental lorries, wreckers. There are special machinery lorries, some with milling and drilling equipment, others designed to carry out precision turning of finer parts, some for heavy turning of axles.

There are specially designed lorries for charging batteries, others for making electrical repairs and tests. Generally speaking the trend has been to provide the specialized type of truck which will render an army independent in the field, permit it to travel farther and farther from its bases without risk of serious breakdown. There has also been a trend toward arming some vehicles with more effective anti-aircraft weapons.

These are, it is pointed out, to a great extent the result of the current type of military operations. It is conceded that the entire trend might be completely reversed by a change in the fortunes of battle or the opening of a new front.

The industry can thus not predict very far in advance what types of units will be produced next year. The only thing certain is that as the fighting becomes more active, the demands on Canada's automobile industry for military vehicles will grow in proportion.

At Wartime Peak

As R. S. McLaughlin, president of General Motors of Canada, explains it, the industry's wartime task and prospects are:

"The close of 1943 found the Canadian automotive industry at its wartime peak, producing military vehicles to the value of $400 millions a year. The weekly rate of production of vehicles was stated by the Department of Munitions and Supply to be 4,000 or more. The accumulated total of vehicles to the end of 1943 was 600,000. Besides producing vehicles the industry assumed new assignments for other war material.

"In the stream of war products, vehicular and otherwise, which flowed from Canada's motor car plants, there was, as might be expected, constant improvement in quality and performance. Savings of many millions were carried out in production and in the effective substitution of materials.

"The newly-attained production rate of $400 millions in a year compares quite creditably with the sale value at the works of automotive vehicles in a good peacetime year, something like $150 millions. This enormous increase in value of output was accomplished without any great enlargement of plant facilities. Of the money spent in construction of new plants and equipment only 4% was allotted to the automotive industry, compared with 18% for chemicals, and explosives, 15% for ammunition and 10% for aircraft industries.

"The industry's substantial volume has been obtained by employing its mass production technique and by applying its know-how and energy to the innumerable tasks assigned to it.

Concentrate On Military

"Naturally the vast output would not have been possible unless the industry had been required to concentrate on military needs. When the manufacture of peacetime cars ended, early in 1942, the military production curve had long since crossed the descending curve of peacetime production.

"The industry did not fail to observe the rising note of public curiosity, during 1943, about the postwar car. It cannot satisfy that curiosity with any dramatic prophecy of an immediate dream car. As a matter of cold fact, the basic postwar problem will be to get rolling with the kind of cars that can go into production quickly. That is for two reasons: (1) Speedy employment for manpower will be desired and (2) cars are badly needed. So, under present rules, where tooling and designing and research are pre-empted for war, the 1942 pattern looks pretty good as a postwar starter. The magazine writers who predict almost immediate rear engines and plastics and 50-mile fuels are just romancing.

"This being fairly definite, what about the postwar outlook in general? The industry, I think, realizes that while some means of maintaining world peace and the development of international relationships in the economic sphere are two great objectives, the provision of jobs for Canada's workers must be regarded as of first importance. Reconversion of the automotive industry's production facilities to the products of peace must be handled as expeditiously as possible. It would minimize the transition period to have a clear governmental pronouncement as to where industry stands in the general scheme. The responsibility of industry can be assumed more realistically in the coming peacetime economy if the rules are made known, whatever those rules are to be.

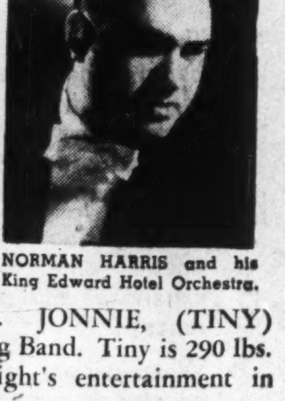
INVESTMENT CONTROL

Strict control is exercised over investment in Australia. Subscription of capital has to be approved by the Capital Issues Board as necessary for wartime.

Normal housing needs and improvements are deferred, and permission must be obtained for alterations costing $80 or more.

To prevent excessive speculation, share prices on Stock Exchanges are confined to upper and lower limits.

Similar control is exercised over dealings in houses and land.



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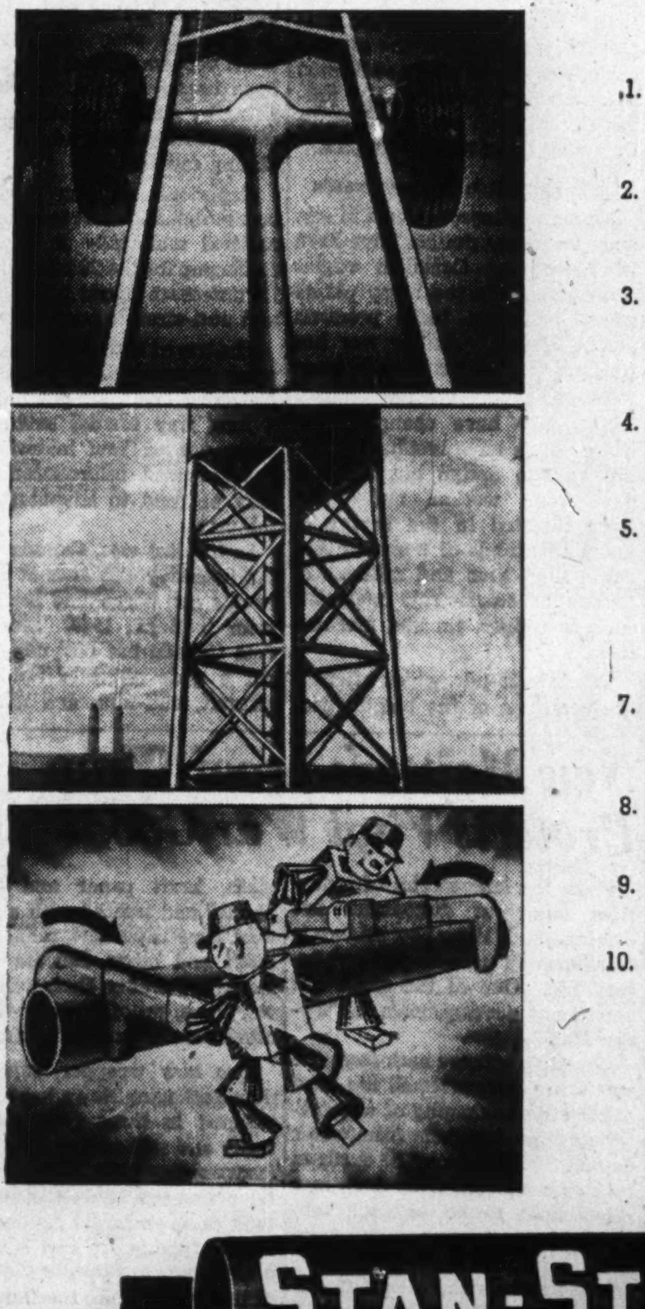

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Canada's textile trade may be described as the "silent" partner of the Dominion's numerous war-geared industries.

Using only its prewar plant and equipment, and without government financial assistance, the industry has worked at top capacity within the limits set by an increasingly difficult labor supply situation.

In turning over its widely scattered plants to clothing the Army, Navy and Air Force, the industry not only supplied all military needs, but tackled and handled the job of manufacturing many new materials and in greater quantities than before.

Specialized requirements of the various armed services clothing lent great impetus to the development of new ideas. Some have resulted in adaptations and designs for old materials, while some entirely new fabrics had to be worked out.

Double-Faced Fabric

"Aero-pile," for instance, is the first double-faced pile fabric ever made. It is manufactured from wool and is used for flying suits. It has the advantage of providing warmth without absorbing body moisture. This reduces the amount of heat the body has to generate. An entirely Canadian development, this latter wrinkle puts Canada among the leaders in manufacture of scientifically designed clothing.

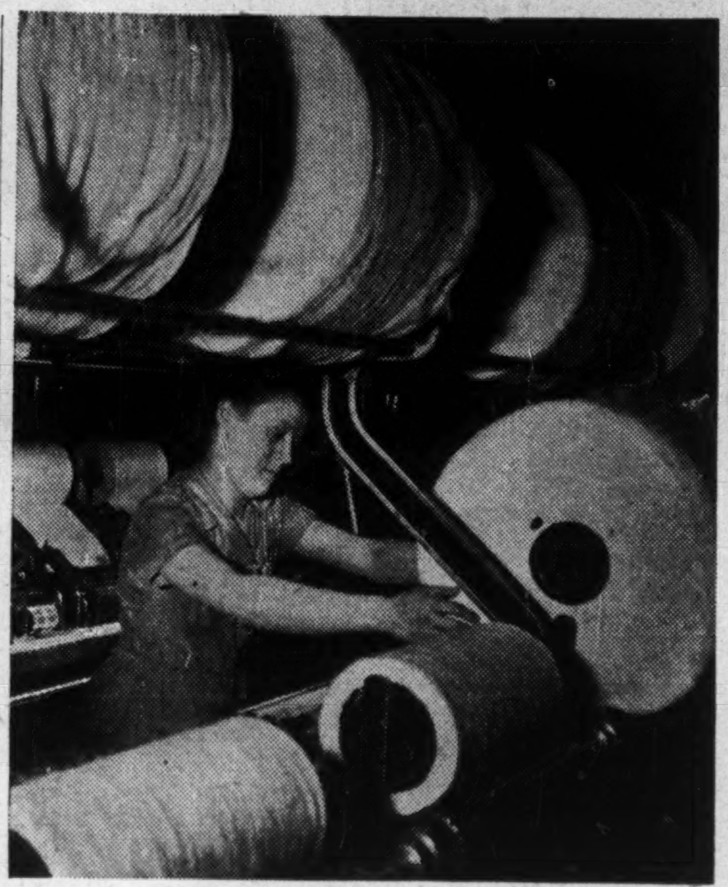
Now, after four years of war the textile industry has passed its peak of production for military needs and the way has been opened to manufacture more goods for civilians.

Standing in the way, however, is shortage of labor and deterioration of plant which has resulted inevitably from hard usage and lack of adequate repairs and replacements. There are, though, at present adequate supplies of raw materials, wool and cotton, to keep Canadian textile plants and mills busy, but it is not expected the recent reduction in government orders will be reflected wholly in increased civilian production.

Index Shows Decline

The DBS index of textile production shows that while the index fell below 160 only once, in the period from March to December 1, 1943, it has also risen above *this figure* only once. This gives some indication of the decline during the past year. 1942 was a remarkable year, of course, with seasonal production swings greatly reduced and a high volume of production consistently maintained. In 1941, moreover, production was very great, and at one time the index rose above 180, while in 1942 the peak was about 168.6.

The decline has occurred mostly in wool and cotton fabric production. Knitting mills have stayed on full schedules and are expected to do so for some time. While the first 1942 level of textile production has been somewhat lowered since the first of the year, it may be attributed to sharply curtailed government orders in past months. The effect of this will not be such a determinant of total output as will the labor situation.



Cotton goes into an amazing number of articles urgently required by the armed forces of Canada and her Allies. As a result cotton mills have been hard pushed to meet military requirements while supplying an adequate amount of cotton goods for civilian use. In this industry, women play a vital part.

The same tendency is evident in monthly cotton bale figures. These have been consistently lower in 1943, and for four months, January, July, August and September, the figure was under 30,000 bales. 1942 monthly consumption never fell to this level. Reduction of government orders for cotton goods and its consequent effect on the industry is described as "spotty," while wool goods production has been reduced substantially in general.

It is too early as yet to see how this easing of the situation will affect supplies for civilian consumption.

Harder to gauge is the trend in production of clothing, although this must of necessity roughly follow changes in textile production. Output of cloth for military use alone was greater in 1942 than the total of the country before the war. Production figures in most items ran into the millions and manufacture was put on the assembly line.

Uniforms, overalls, battle dress and other items were turned out in tremendous quantities. Activity has been and continues to be very great in the knitting goods industry. Although it may decrease, may even now be easing up, 50% of the men's and boys' factory clothing industry was devoted in mid-1943 to producing goods on war order. Of women's dresses trade 15% was similarly engaged. Other branches of the needle trades are also heavily engaged in war work.

Special credit is due all phases of the industry for carrying on with an absolute minimum of new equipment or parts.

Under war pressure there has been a boom in improvements and innovations in the techniques of textile production. Many new materials have been evolved which will be a boon to the industry in its postwar bid for markets.

Chief of the new materials, rayon and nylon, both of which had already been in use before the war. Indeed, rayon had been in use for some time. Demands of war, however, resulted in their possibilities being more thoroughly explored.

Good Hope For Postwar

Other new synthetic fabrics have been developed, or at least, put to effective use. These are anticipated to have good postwar market. Indeed, the postwar world promises many surprises and improvements in textile products.

Contributing in admirable fashion also to the job of equipping our fighting men has been the leather and boot and shoe industry, which currently is producing on military order 80,000 pairs of war boots a week. Here again many specialized shoes had to be developed.

Available production figures demonstrate the very considerable expansion in Canada's textile and clothing industry. The difficult conditions under which the industry operated, especially in regard to labor supply, resulted in reduced output of cotton cloth in 1942 as well as a decline in rayon. Wool production, however, continued to rise substantially. Consumption of all three in Canadian factories and shops, however, continued on the upgrade that year. Following are production figures for these three major textiles:

	1942	1941	1940
Production		(000 yards)	
Cotton goods	310,000	324,256	242,620
Rayon	77,552	83,151	50,109
Wool cloth	28,202	27,159	17,190
Consumption			
Cotton goods	504,778	455,555	362,724
Rayon	87,997	90,671	57,038
Wool cloth	44,315	42,175	28,668

Civilians In Second Place

At all times civilian demands have had to take second place to the military needs. While this necessitated restrictions on the variety, quantity and in some cases quality of clothing bought, there has never been any serious hardship involved. There have been modifications of style both in men's and women's dress and, in some cases, such as silk and nylon stockings, products have gone entirely off the market. One regulation, banning manufacture of two-pant suits, has now been lifted, though with much controversy as to the wisdom of the move.

The textile industry after the war is looking forward to a period of much new development, promotion of new materials, designs and items of apparel. On the other hand, considerable capital will have to be expended to provide facilities to exploit these possibilities as well as to make good war depreciation of plant and equipment.

Though Canada's textile trades did their war job of clothing the forces with a minimum of fanfare and much labor and equipment difficulty, they have come through with flying colors. Because they had to cudgel their brains to find ingenious ways out of their troubles, they have hit upon some new fabrics, worked over old materials, developed assembly line methods. In general they are looking forward to a bright postwar future. A future, though, that will call for much capital expenditure to take advantage of the potentialities of the industry.

War Costing Aussies Dear

Figures presented to the Australian House of Representatives by the Federal Treasurer, J. B. Chifley, show that total cost of the war to June 3, 1943 was £A 1,107 millions, equal to $3,974.4 millions in Canadian money at the current exchange rate of $3.59 per Australian pound. Australia, moreover, is spending half her national income on war. The rate of war expenditure has grown to £A 47 millions per month as compared with £A 20 millions in 1941 and £A 11 millions in 1940.

The war has been financed by:

	(£A millions)
Taxation	363
Loans	474
Discounting treasury bills with C'wealth Bank	259
Temporary use of treasury funds	11
	£A1,107

With a view to preserving to the Commonwealth for war purposes the increased yields due to rising incomes, the Government of Australia introduced Uniform Income Taxation.

During the year ending June 30, 1944 taxation receipts will exceed £A 270 millions compared with £A 74 millions in 1938-39. War debts amounted to £A 731 millions at June 30, 1943, almost entirely internal.

Current year's interest will be £A 20 millions.

Bureau of Commonwealth and State Government debt is now 5½% of the national income compared with 7% in 1935.

Last Year's Accounts	(£A000,000)
Total expenditure	670.3
War	561.7
Estimated	440
War at home	483
War oversea	78.7
Revenue collections	267.5
Revenue estimate	249.7
Aggregate debt	2,006
Increase last year	389
Current Year's Estimates	
Revenue	312
Excess on last year	44.6
Income tax	160.2
Excess on last year	45.6
Total taxation	272.8
Excess on last year	42.6
Expenditures (other than war)	144.5
Excess on last year	30
Expenditure (war)	570
Excess on last year	8.2
Loan income	300
Excess on last year	85

China Checks On Profiteers

Strict anti-hoarding and anti-profiteering laws have been in force since 1941 in China. Dealers must register with the Government and report periodically on purchases, sales and stocks on hand. Price ceilings have been established in the principal food items, although these have been relaxed from time to time according to increased production and transportation costs.

In feeding the army the Ministry was faced with the dual problem of obtaining large supplies while avoiding the inflationary effects which might follow cash payments for them. Two methods have been followed:

Payment of land tax in kind.

Purchase of foodstuffs at cost with partial payment in debentures.

During the early war years land tax rates remained constant, although prices for produce rose as much as 20 times in some localities. While this condition pleased the landlords, it did not meet with government approval. Accordingly, a new system was inaugurated whereby the rates were based on 1937 prices for foodstuffs, thereby re-aligning taxes on the land with the returns from it, to some extent.

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PASS THE AMMUNITION!
Case No.1002
The Case of the Empty Gun
WHAT AMMUNITION?

Bottle Neck—Rejects . . . Cutting Oil
to blame, engineers report

PROBLEM: To replace costly Cutting Oil which did not give required finish and caused boils on operators' arms.

SOLUTION: After careful examination of machine tools, cutters, metals, cutting speeds and specifications, B-A Industrial Engineers recommended B-A Sulfurcut 33.

RESULT: B-A Sulfurcut 33 cost less than half as much as the product replaced. Rejects were practically eliminated. Boils stopped breaking out and operators' arms healed up.

B-A Sulfurcut 33 performed so satisfactorily that this firm not only standarized on *it* but have changed over 100% to B-A lubricants throughout their plant.

Supporting details of this and many other case histories are on file in our office. Let B-A Industrial Engineers extend B-A service to you. Whatever your problem in the application of petroleum products, by consulting The British American Oil Company Limited, you will get greater efficiency on machine tools, material and man hours, thereby improving results and increasing production.

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MORE STEEL FOR WAR
...and Peace

THIS new blast furnace, now in operation, greatly increases Canada's capacity to produce steel for war now and for peace later. It was fabricated and erected for Algoma Steel Corporation Limited at Sault Ste. Marie, Ont., the designing engineers being Arthur G. McKee & Co., Cleveland.

The design called for 2500 tons of steel which was fabricated by the Sault Structural Steel Company Limited and the Toronto works of Dominion Bridge Company Limited, the latter company erecting the entire structure.

Such equipment calls for long-distance planning and the co-ordination and co-operation of many interests. To such tasks, Dominion Bridge Company Limited brings over sixty years' experience. Let us plan together now for Canada's greater strength and prosperity.

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Agencies: REGINA EDMONTON
Associate Company
SAULT STRUCTURAL STEEL COMPANY LIMITED, Sault Ste. Marie, Ontario

Communications and Signalling

Radio, Telephone In Wartime

Civilian Industry Should Gain From Development

Extent to which industrial science has contributed to the safety of our armed forces is suggested by these fliers in a rubber raft demonstrating the RCAF's sea-rescue radio transmitter. For night work, a signal lamp is included and when the transmitter crank is turned an automatic SOS is flashed.

Linking up the multiple operations of the armed forces is its system of communications, one of the most vital factors in carrying on modern war. Perhaps $200 millions or more will be spent in 1943 producing communications equipment: — radio, telephone and visual signalling. In its manufacture a vast number of plants, large and small, are under contract throughout Canada. Canadian factories have coped successfully with the most difficult production tasks.

Total war means mechanized war.

To win such a conflict the military joined hands with industry which took on the job of giving the mechanized army the tools to fight with.

One offspring of this marriage was a vast and growing communications industry which has much promise for civilian life, and which is concerned with building radio and telephone equipment and all kinds of visual signals — items which are of vital importance in war at any time, but particularly so under modern conditions.

In this industry of first magnitude and importance, Canada has shown herself equal to meeting production demand. End of hostilities should see a radio, telephone and cable industry of greatly expanded potentialities.

Production of radios and radio equipment is the largest branch of the communications industry. Not only has Canadian industry had to produce in tremendous volume, but requirements of the Army, Navy and Air Force are much more exacting than were those of the pre-war civilian industry.

Statio Out

Static, for instance, which interferes with reception, has no place in a fighting plane, a tank or a ship's control room. So it was eliminated.

During operations extremes of heat and cold must be anticipated and hard usage provided for, and here the communications industry has done an A-1 war job. Radios for installing in tanks and armored fighting units—they represent the largest unit volume of radio production—had to withstand extremes of weather from 50 degrees below to 150 degrees above zero, as well as survive the jolting and pounding to which a set is exposed under tank conditions.

In meeting these demands, the industry in Canada has worked principally from British designs, although Allied co-operation now has standardized equipment to the point that most parts are interchangeable no matter in what country they may be produced.

Four Year's Output In One

Communications equipment manufactured this year on order of DM&S is estimated to amount to from $250 to $300 millions, as compared with $3 millions each in 1939 and 1940. In 1943 Canadian factories will have turned out as much equipment as in the four years preceding the war. This expansion has been achieved only by building additional plants. It has been for the most part privately financed except for Government companies such as Research Enterprises Ltd., the biggest single producer of radio devices in Canada.

Almost a whole industry in itself is the manufacturing of cables. These range from a thickness of 4½ in. to strands finer than human hair. It is estimated more than 3,000 types of cable are produced in this country. Many are new to Canadian industry and many, as with radio equipment for instance, are of a very secret nature. All that is known is that production is tremendously expanded from pre-war levels, yet it has all been done in pre-war plant.

Kinds of Cable

Among the many types of cable being manufactured is the degausser. It is used to protect ships from magnetic mines. Wartime shortages of materials have forced utilization and adaptation of new substances such as plastics and synthetic rubber. Research in developing use of these new materials will be of great postwar value, although the cost factor makes it doubtful whether or not natural rubber will be permanently displaced.

High speed present-day Army operations called for special equipment to handle cable. Witness the machine which lays cable from vehicles at the rate of 10 to 25 miles an hour.

Practically all equipment of a mechanized army relies upon wiring if it is to function properly. Naval ships, for instance, are a mass of wiring, 300 types being used in a single vessel.

Location Devices

Canada has entered into production of war-developed radio location and detection devices. She is the sole producer of most of the detection items. A list of the equipment types manufactured in this country runs to almost 100, but many of these, such as wireless receiving sets, are composed of a vast number of parts: there are 6,000 pieces in vehicle radio receivers. Some of the parts making up a receiver and transmitter set include power units, generators, charging sets, batteries, earphones, microphones, remote control equipment and antennae. Following is a statement of one day's output of a list of such items:

Field cable, miles	188
Cable layers	6
Amplifiers	57
Control units	77
Signalling lamps	84
Charging sets	61
Generator sets	4
Radio receivers	33
Telephone switchboards	29
Transmitter-receivers	186
Radio transmitters	6
Installation kits for vehicle receivers	10
Wave meters	10
Control cubicles	2

Standardization

Equipment has been standardized as a result of pressure of war and need for technical simplification. In radio, the number of tube types manufactured has been reduced from 800 to 120, that of different sets from 234 to 64, while the number of headsets and receivers has been curtailed from 50 to 7. Result is greater output and a corresponding reduction in production costs.

The manufacture of communications equipment is handled by a multitude of small and big firms. In addition to Research Enterprises and the large electrical and cable companies such as Canadian General Electric, Canadian Westinghouse, Canada Wire and Cable and others, many small manufacturers have been found to be equipped to handle manufacture of parts. They have been doing a splendid war job.

To "Slaughter Tap" 20% Of Ceylon Rubber Trees

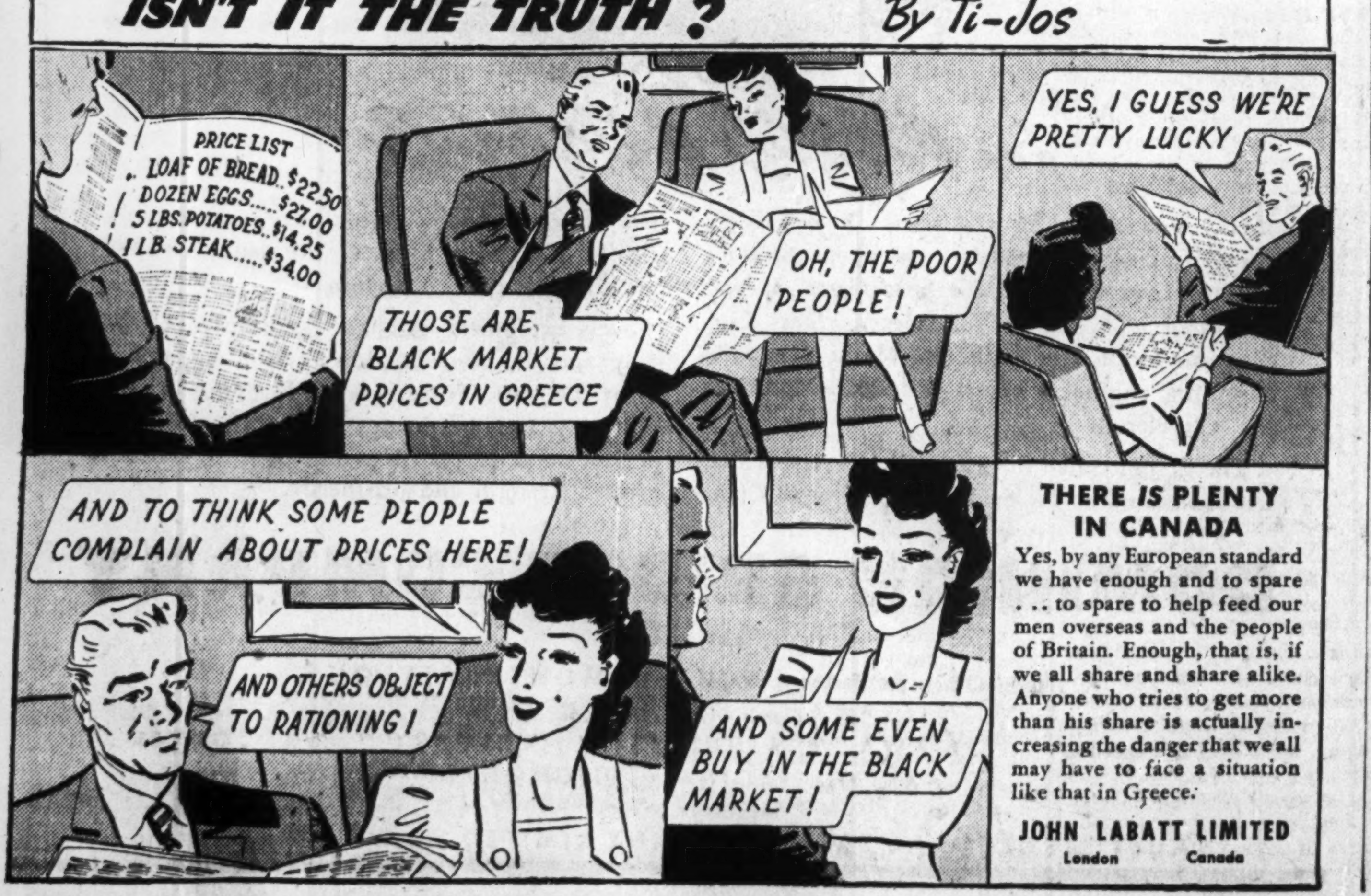
Although crude rubber production in Ceylon reached an all-time record in 1942, output in 1943 will be increased because of an agreement between the British Government and the planters to "slaughter tap" 20% of the rubber trees, that is, tap them so intensively as to destroy them within two years. The remaining 80% are to be tapped 133% above the pre-war rate. In return the government is to reimburse the planters for the cost of replanting the destroyed areas.

Of the total Ceylon 1942 exports over one third, or 41,825 tons, went to the U. S. A., while only one sixth came to Great Britain. Of output for the last quarter of 1943, some 40% is earmarked for U. S.A.

Following are figures for rubber production in the African territories where Britain is either directly responsible or has given considerable support (by supplying technicians, material aid, etc., like U.S.A. in Brazil) for 1942:

Country:	1st Half Year tons	4th Quar tons
Nigeria	3,861	3,049
Gold Coast	1,230	913
Sierra Leone	88	26
Kenya	169	28
Fr. East Africa	911	791
French Cameroons	1,754	471
Madagascar	15	27
Belgian Congo	2,580	294
Angola	308	nil
Portuguese Guinea	757	nil

Chief U. S. sources of crude rubber are Liberia and Brazil. From the latter 1941 exports were 20,303 tons; for 1942, it was 17,406 tons (as against an estimated 50,000 tons), and the first five months of 1943, 11,436 tons. Utilization of synthetic rubber has so far been delayed owing to technical difficulties, but these are being overcome and 1944 may see substantial deliveries.


ISN'T IT THE TRUTH ?
By Ti-Jos
PRICE LIST
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THOSE ARE BLACK MARKET PRICES IN GREECE
OH, THE POOR PEOPLE!
YES, I GUESS WE'RE PRETTY LUCKY
AND TO THINK SOME PEOPLE COMPLAIN ABOUT PRICES HERE!
AND OTHERS OBJECT TO RATIONING!
AND SOME EVEN BUY IN THE BLACK MARKET!

THERE IS PLENTY IN CANADA

Yes, by any European standard we have enough and to spare . . . to spare to help feed our men overseas and the people of Britain. Enough, that is, if we all share and share alike. Anyone who tries to get more than his share is actually increasing the danger that we all may have to face a situation like that in Greece.

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IN THIS WE SERVE

To have had a place in the chain of supply contributing to the efficiency of the Silent Service is an honour of which we are fully conscious. Whilst Canada's sons and daughters man the Services, Canadian Industry does its level best to give them the things they need for utmost effect. The result is one in which every citizen can take legitimate pride.

Not all the jobs we have done reach the spectacular dimensions of the cranes we have built like this one. But in peace or war our personnel—and our equipment that builds them—are ready to serve in steel construction of every kind, large or small.— Engineering, Fabrication and Erection.

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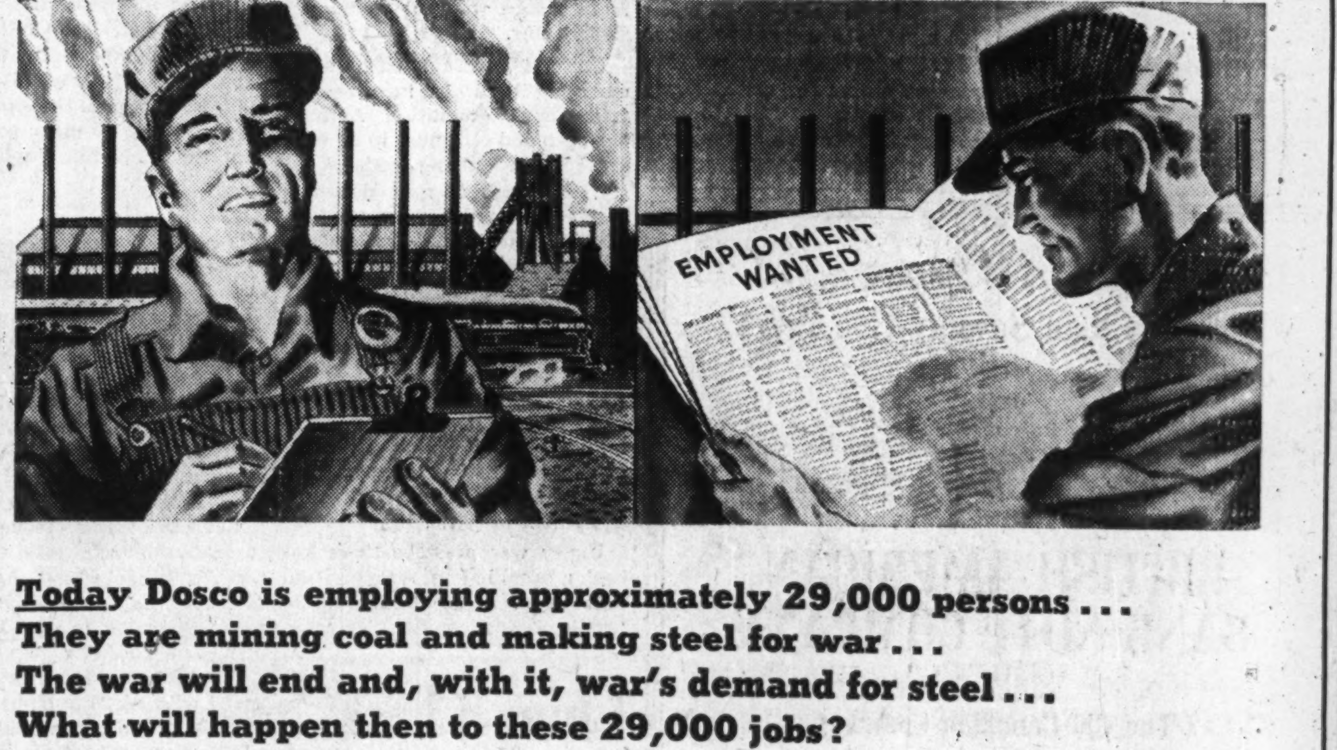

Today Dosco is employing approximately 29,000 persons . . .
They are mining coal and making steel for war . . .
The war will end and, with it, war's demand for steel . . .
What will happen then to these 29,000 jobs?

THE PROBLEM does not end with these 29,000 jobs. For Dosco's 1942 disbursements in Canada were more than $110,000,000.

Of these hundred and ten million dollars, 48 millions went, through the payroll, to pay rent and buy groceries, clothes, household supplies of all kinds for 29,000 people and their families. Thus these millions spread out across the Dominion to pay storekeepers and all those who transport, make or grow the retail goods they handle.

The problem goes still further. Not only does Dosco employ 29,000 persons directly, it also provides employment indirectly for many thousands of people in other parts of Canada: For every year it spends many millions to procure the supplies necessary for mining coal and producing steel.

Thus the millions disbursed each year by Dosco circulate throughout the Dominion creating new buying power and jobs—and no man can say in how far it affects his own personal livelihood.

It is important, therefore, to every Canadian that this circulation shall continue when war's demand for steel ceases.

How can this be accomplished?

◆ ◆ ◆ ◆ ◆

THE ANSWER to this—as to the post-war problems of all Canada's essential industries—depends upon the whole-hearted co-operation of Canadians in all walks of life. We must co-operate to win the peace as we are doing to win the war. We must, together, devise and agree upon a comprehensive post-war programme to provide work for every employable person upon the noble project of making our Canada worthy of its high destiny.

In achieving this objective, Dosco will be as useful a part of Canada's peace-machine as now it is of Canada's war-machine.

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Plants, Warehouses and Sales Offices Across Canada
Dominion Coal Co. Ltd.
Only Producer of Steel and Steel Products in Canada Wholly Self-sustained Within the Empire
299

Ammunition

Shell Output Passes Peak

Reserves Believed Adequate For All Contingencies

Canada's reserves of ammunition are now considered ample to take care of all demands that may be made upon them.

Stock piles may diminish more rapidly when land operations become more intense. But it is confidently believed all contingencies have been provided for.

Accordingly aggregate production is being reduced to war wastage levels with productive efforts being diverted to certain types of which largest quantities will be wanted in offensive operations.

Curtailing Production

Curtailment of total production has been made possible by the record-breaking output of Canadian plants, which reached a peak in 1943, substantially surpassing the previous high level established in 1942. In the 12 months just closing, production of shells at 28.5 million units exceeds the 1942 figures by half a million while small arms ammunition at 1.5 billion rounds is up 300 millions.

While the large scale output attained was a factor tending to bring about revision of manufacturing schedules, the change in the pattern of the war from defensive to offensive was also a factor. Accordingly while, at the close of 1942, Canada was making 28 types of shells of 15 different calibres, by the middle of the year, seven types had gone out of production, and two new ones added. Of the remaining 23 types, output of one was increased while output of the others was either maintained at current rates or reduced.

In small arms ammunition similarly it was decided to reduce production to war wastage levels, typical exceptions being the .303-in. incendiary; the 9-millimetre parabellum and all 20-mm. types. In general, labor and materials released by the revised production schedules have been diverted into other lines.

300 Factories

For many months past, accordingly, from 300 factories a steady stream of both heavy and small arm ammunition has flowed to its destination in the various theatres of war. Beside supplying our own needs, Canadian factories have provided supplies for the United Kingdom forces, Australians, Americans, Russians, Fighting French, Chinese, etc.

Changes in 1943

Security reasons do not permit of detailed information being published as to the types of heavy ammunition being made in Canada. At latest reports there were 23 types. At the beginning of 1943 they totalled 28 types of shells of 15 different calibres. These included among others the 40-mm. quick-firing shell, the 25-pdr., the 3.7-in. anti-aircraft, the 4-in. naval, the 75-mm, armour piercing shot and the 2-in. naval. There are also large quantities of shell components produced — 14 types of fuses, 17 types of cartridge cases; two types of gaines; and nine types of primers. There are also aerial bombs, practice bombs, two types of depth charges, anti-tank mines; rifle grenades; pyrotechnics of 70 basic kinds for aerial, field, naval and practice uses; eight types of trench mortar bombs, depth charges, etc.

With large reserves of practically all calibres and types of ammunition — both shells and small arm kinds — now in stockpiles, current trend is toward curtailment of output of Canada's shell factories. Production is now keyed more directly to actual consumption in turn depending on the varying intensity of battles on land, sea or in the air. Canadian-made ammunition is allocated wherever needed and may find its way to China, Russia, New Guinea or Italy. Unlike the last war, Canada has also made rapid progress in turning out the complete rounds, many of which are now shipped ready for use.

Small Arms Ammunition

In small arms ammunition it is believed some 24 types in seven calibres are being produced including ball, tracer, incendiary, and armor-piercing types of .303; .22; .38; .455; .35-in.; 9 and 20-mm. The last named calibre appears to mark the border line between small arm and heavy ammunition, being included in both classifications. So great has been the production of small arms ammunition that it is estimated one month's peak output of one calibre alone would fill an ammunition belt long enough to reach from Halifax to Fort William.

Incredible Achievement

Production in Canada has developed since the outbreak of war at a pace which in normal times would have been thought incredible, especially when it is realized the shells are being shipped filled with explosives and sent abroad as completed rounds. The situation in this regard is much different from the last war. Then, while shells were made in large quantities, it was not until late in the conflict that the more difficult components and assemblies such as fuses, were produced to any marked degree.

Started From Scratch

In the years that followed the peace of 1918, the manufacture of war equipment received scant attention in Canada as in most of the democratic countries. Accordingly, at the outbreak of the present war facilities in this country for making ammunition of any kind were very limited. There was only an arsenal in Quebec and two small pilot plants erected in 1937 and 1938 for the Department of National Defense and the British Government.

Thus Canada had to start literally from scratch to rebuild its ammunition industry. Today a vast new industry employing over 50,000 persons has been created to make and fill shells with various explosives and to produce small arms ammunition. Some 25,000 are engaged in ammunition filling alone.

Changes in System

Growth of the industry has entailed considerable change in the general system. Originally the Department of National Defence bought the ammunition it did not make in its own arsenals from the United Kingdom. But when war broke out, and as it proceeded, the administration of this branch of the war effort was transferred to the Department of Munitions and Supply. As the months passed, it became evident that production of ammunition was to be a large part of Canada's war effort.

In the third quarter of 1940 when orders for shells and ammunition were virtually doubled, the whole Canadian munitions program was greatly expanded and the Department of Munitions & Supply created a new branch, the Munitions Production Branch. As production continued to accelerate the Munitions Production branch was sub-divided into four new branches, including the Ammunition Production Branch which supervised production of all ammunition with the exception of small arms. The production of guns has fallen within the province of this branch which is now known as the Ammunition and Gun Production Branch.

1943 Output

Once the ammunition industry got into its stride, production increased steadily. Detailed figures are not available, but some idea of the expansion that has taken place is given by the fact that of 60 million complete rounds of shells made in Canada since war began, some 28.5 million units, or 47%, have been produced in 1943, and out of three billion rounds of small arms ammunition, 1.5 billion, or 50%, were made this year.

Constituent Parts

In the general types of ammunition there are three main constituent parts. Take the .303 cartridge, for example. There is the brass cartridge case holding the propellant charge which, on exploding, drives the projectile. Technically there are a great many other smaller parts to each of the three main ones. For instance, in the bullet there is the tip, core, etc. In the cartridge case there is the primer, the igniter, etc.

Latest information available indicates the type of ammunition being made in Canada as follows:

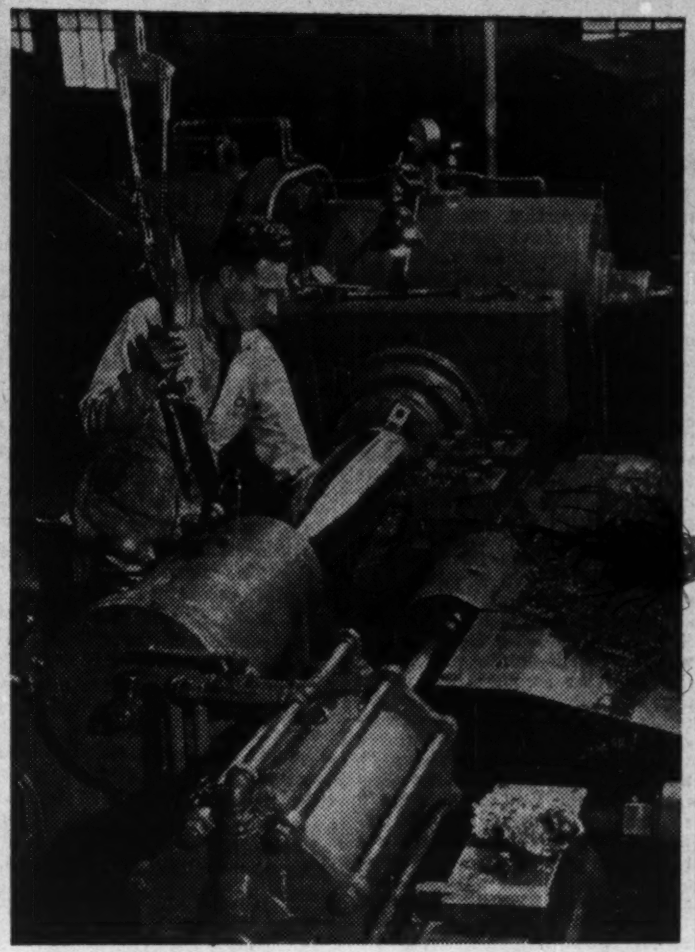
	Types	Calibres
Small arms ammunition	*24	7
Shells	‡23	12
Cartridge cases	17	
Primer holders	3	
Fuses	14	
Gaines	2	
Primers	9	
Tracers	2	
Accessories for fuses	3	
Practice bombs	2	
Depth charges	2	
Trench mortar bombs	8	
Rifle grenades	2	
Hand grenades	4	
Hedgehog projectiles		
Filled rounds of ammunition, bomb & depth chgs.		

*7 calibres. ‡12 calibres.

Structure of heavy ammunition is an adaptation of the same general principles. The completed round of shell ammunition has three main parts just as with the .303 cartridge. It has the cartridge case which holds the propellant and the shell either loaded with explosives or solid such as the armor-piercing type. The former has a fuse which detonates the shell either by percussion or timing apparatus. Very slight contact is necessary to explode certain types of shells. There are, of course, many other smaller parts in the shell just as in the small arms cartridge including the primer, igniter, etc.

One of the developments of the months during which Canada has been making ammunition has been her success in achieving more efficient methods of production with greater economy in labor and material. For example, machining of artillery shells is now done as a single operation. In the last war the inside of a shell had to be bored out; now shells are forged at a huge saving in metal and machine time. Canadian explosive specialists have also been eminently successful in developing new types of explosives on improved production methods.

The fact that Canada now after three and a half years of extensive production is preparing to whittle down ammunition production schedules with reserves considered adequate for all eventualities indicates the gargantuan achievements of the last three and a half years.



Shaving a 7.2 in. howitzer shell on a giant lathe. In the past year the Dominion's shell factories, understood to be making 23 types of heavy ammunition, reached their wartime production peak. Shell output was 28.5 million rounds, half a million in excess of the number produced in 1942.

Big Worry in Australia Is Farm Labor Shortage

Unprecedented Food Demand Imposes Heavy Strain on Supply of Agricultural Workers — Plan Release of 20,000 Troops to Fill Need

How to "man the farms" is the current major headache for Australian authorities.

Faced with an unprecedented demand for food at a time when the Commonwealth has almost reached the saturation point in manpower to fight and produce for war, Australia is reviewing her war dispositions to cure the twin maladies of her economy.

The Federal Cabinet has accepted the recommendations of the War Commitments Committee and Defense Committee to stretch the already taut labor fabric. These recommendations would have:

20,000 men released from the services—15,000 of these will be skilled rural workers.

20,000 men released from munition making.

30,000 men fit for work from the 40,000 expected routine discharges from the Services through casualties and illness.

30,000 more women diverted to war work and food processing.

Present strength of Allied Works Council personnel to be limited.

Utmost curtailment of employment in less essential industries.

Increase hours worked in industry.

Dilution of labor where possible in skilled trades.

Incentive schemes to increase output.

Transfer from overseas of more prisoners of war.

Release and use of civilian internees.

Increase pool of seasonal rural labor to 10,000.

Manpower Figures

Re-allocation of Australian manpower has been necessitated by absorption of vast numbers into the armed services, as seen by the following figures:

Population*	7,254,000
Males 14 and over	2,823,000
Fighting or indirect war jobs or civilian employment	2,529,000
In the Fighting Services (33%)	842,160

This is the gross enlistment figure, including discharges, deaths, missing and prisoners of war and represents two in three of the male population between 18 and 40 and one in four of the total male population.

Equivalent in the United States is 16 millions and in Great Britain 5 million.

Manpower Distribution:	
Volunteered to fight anywhere in the world	574,000
Engaged in direct or indirect war work (60%)	1,331,000
Engaged in civilian production (4.5%)	117,000
Employed in Government and semi-Government factories on munitions, aircraft and shipbuilding	91,000
Employed on direct defense work in private factories	320,000
Allied Works Council undertakings	47,000
Transport and communication	219,000
Mining and quarrying	32,000
Commerce and finance	250,000
Rural industry	355,000
Men diverted to war production from factories producing civilian goods (70% of pre-war)	283,000
From Banking and Insurance (40%)	26,000
From Retail Trade (30%)	47,000
From Wholesale trade (28%)	39,000
From Rural industries (29%)	145,000
Remainder	294,000

Food Problem

Because of the extra call for foodstuffs to feed Great Britain, the Allied forces in the South-West and South Pacific war areas, a combined system of rationing and increased production has been initiated. Meat is likely to be rationed in Jan., 1944. At present pork is being virtually withheld from the market and the quantity of beef for civilian consumption radically reduced.

As pig litters may be produced relatively rapidly, it is expected in Australia that the pig population will spurt. Improved droving and internal transport to the slaughter yards is also anticipated.

Careful organization, it is said, will ensure enough liquid milk for the people.

Fish prospects are bad, though, as many wooden fishing vessels have been turned over for service needs. In some respects the fish industry has been destroyed at a time when adequate supplies of fish would be a very welcome part of the national diet. An attempt, however, is being made to restore it.

In dairying and vegetable industries, Australia is falling down for lack of manpower, and through dislocation of internal transport and the loss of the drover. As a result, Commonwealth Food Controller J. F. Murphy has suggested a "partnership" between the food industries and the Department of Munitions to iron out the difficulties.

New Soybean Fibre Making Textile News

Will Blend With Cotton or Wool, Can Be Woven or Spun

A fibre made from soybeans has just been produced commercially for the first time by the Rackett Co. of Cincinnati and promises to be of major postwar importance, the company announces.

This new soybean fibre, which is so new it has yet to be named, is claimed to be as warm as wool. It is resilient, strong, durable and can be made either moisture absorbent or moisture resistant.

It is not a competitor of any other fibre but is said to be an entirely new material with a growing field of usefulness. It may be blended with either cotton or wool, or it may be woven or spun into fabrics. Already it has been made experimentally into blankets, felt hats, underwear, hosiery, suitings and upholstery fabrics.

The process is relatively simple in operation. From the soybean is first extracted the soybean oil. After this the residue—soybean meal—is sold for livestock feed. Roughly half of this meal is protein, required amounts of which are removed to make the new fibre.

Special Process

This meal, it is said, gives a powder-like product. Through a special process this is liquefied and converted into a mass with a consistency resembling molasses. This liquid is then forced under pressure through very fine platinum spinnerettes from which it emerges as hundreds of thin filaments.

These filaments are then given a number of carefully controlled chemical treatments and baths, during which they are stretched and hardened. Finally the fibres are dried and cut into any desired lengths.

The company's technologists have made many products experimentally from soybeans, including plastics, wallboard and paints. Currently it produces about 70,000 tons of soybean meal annually, and approximately 30 million pounds of soybean oil, which is distributed under government allocations.

How to Solve Your Repair Parts Problem

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If you are one of the many who now find it impossible to secure repair or replacement parts for maintenance work, etc., put your problem up to us and let us help you. Our shop is especially adaptable for easy tooling-up which permits us to produce medium and small quantities of precision machined parts, large or small, machined to extremely close tolerances. The flexibility of our plant set-up is such that we can give quick response to emergency demands in this type of work — costs are moderate and the quality of the work is guaranteed in all respects to meet the standards and specifications of original parts. Our factory is complete with trained men and the machinery for the precision manufacture of many parts; for sub-assembly work requiring light structural steel, welding and machine assembly work. A capable engineering staff and an alert management is at all times ready to assist with your production problems and whether your needs be large or small, we will be pleased to work with you toward a satisfactory solution. Your enquiries are invited and we will assure you of a prompt response and careful attention.

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Sees Gold Favoring Stability

W. C. Clark, Deputy Minister of Finance, Gives Views

Speaking before the Institute of Postwar Reconstruction at New York University on Dec. 15, Dr. W. C. Clark, Deputy Minister of Finance for Canada, expressed his belief that gold will continue the best international "money" available and pointed out that all three currency stabilization plans turned out by experts of the United Kingdom and United States "explicitly or implicitly" turn to gold as a means of international payments.

For gold in general—and how the gold standard may be improved—Dr. Clark had this to say:

"Gold is and will doubtless remain the best form in which international exchange reserves can be held, but if we are to have a satisfactory world system, we must improve upon and supplement the traditional gold standard, retaining whatever advantages it had but avoiding the dangers which were involved in its inflexibility and its blindly automatic character."

For the place of gold in the three currency stabilization proposals, Dr. Clark had this to say:

"There is some public interest in the role which gold is intended to play under the three plans. All three plans assume, explicitly or implicitly, that gold will continue to serve as a means of international payments; and as a gold-producing country Canada has naturally no quarrel with this assumption. The Keynes plan places rather less emphasis on gold than either of the two other plans and might facilitate a more fundamental departure from the traditional gold standard. Any member country may sell gold to the Union at a fixed price in bancor, but bancor is not freely convertible into gold and no country can demand gold from the Union. The value of gold in terms of bancor and therefore indirectly in terms of the currencies of all member countries is to be fixed by the governing board of the Union and may be changed freely, upward or downward, at its discretion. Moreover, the only obligations imposed on member countries with respect to gold are that they shall not purchase gold at a higher price than corresponds to the parity of their currency with bancor, and that if their debit balances to the Union exceed one half their borrowing quotas, the governing board may require the deposit of gold collateral and even the outright transfer to the Union of any gold they may own for the purpose of reducing those debit balances. As we have seen also, bancor will be really a substitute international currency, resort to which will be at the pleasure of debtor countries, and its value in relation to gold will be freely variable at the discretion of the governing board of the Union.

The U. S. and Canadian Plans

"Under the American and Canadian plans, however, gold would be usable for all its traditional monetary purposes and in addition would have an internationally guaranteed monetary value. A four-fifth majority vote would be required to authorize a change in its monetary value. Member countries must pay a stated proportion, and may pay all, of their capital quotas in gold. The stated proportion under the Canadian plan is 15% but under the revised White plan it varies, generally speaking, from 30 to 50% of the quotas of the member countries, a requirement which seems unnecessarily high. With the consent of the fund, member countries may exchange gold for fund holdings of their own currency or of any foreign currency and may use gold at their pleasure outside the fund as a medium of international payments, provided they adhere to the monetary value of gold fixed by the fund. The fund may use its own gold holdings to acquire supplies of a scarce currency and may require member countries to transfer to the fund, in exchange for their own currency, all their holdings of gold in excess of the amounts held at the time of joining the Union. Gold deposits with the fund are exchangeable at fixed rates for the currency of any member country. The practical effect of these and the other feature of the two plans is not to restore the old gold standard but to establish a new monetary system which will retain many of the advantages of that standard, and avoid its well-known disadvantages In particular its inflexibility and its blindly automatic character are to be corrected by the provision of additional facilities for international short-term credits and by the substitution of the flexible management of the new international agency for the automatism of the natural forces affecting the production and supply of gold."

Oil Production

Superior Oil of Calif. Enters Alberta Fields

From Our Own Correspondent

CALGARY.—Superior Oil Co. of California has announced the formation of a Canadian subsidiary, and its initial acquisition of acreage in the Dominion. The subsidiary is the Rio Bravo Oil Co., holding a Dominion charter and now registered in Alberta. Initial acreage acquisition covers a crown reservation on approximately 19,800 acres in Townships 14 and 15 Range 2w5, the northern boundry of the block being about 13 miles due south of the south Turner Valley oilfield.

The reservation has been acquired from the Chain Lake Syndicate for a substantial cash consideration, plus a further payment to be made from initial production, when and if the property reaches the production stage. Only royalty payable is the crown royalty. The Rio Bravo block is surrounded by the northerly part of Gulf Oil Corp's 321,000-acre southern foothills block.

Geological report on the Rio Bravo block was prepared for the Chain Lake Syndicate by J. S. Irwin. Rio Bravo is now doing additional geological work, preparatory to undertaking development. The company's parent, Superior Oil, has had two geologists doing general reconnaissance in Alberta since last June.

* * *

Want Further Rate Cut

The Valley Pipeline Co. could still maintain the 9½% return allowed it by the McGillivray Commission report in 1939 if the transportation rate were reduced from the present 9½c. to 7.2159c., government witness K. J. Morrison declared before the Public Utilities Board pipeline rate hearing. This statement was presented as J. J. Frawley, K.C., government counsel, commenced his argument that a reduction in the Turner Valley - Calgary pipeline charges was justified.

The rate was reduced from 15c. to 9½c. on July 3, 1939, on McGillivray Commission recommendation. Since then, the thruput of the line has been 50% greater than the anticipated 6 million bbl. annually. As a result, returns of the pipeline company to date have been at a somewhat higher rate than the 9½% expected. The pipeline company has presented arguments that the field has passed its productive peak, that reduced thruput in coming years plus required additions to the gathering system to serve new wells, will force upward revision in pipeline rates.

* * *

Basis For Argument

Basing calculations on a 1944 estimated thruput of 8.2 million bbl. (compared with an estimated 8.8 million bbl. in 1943), the government's Mr. Morrison estimates that a rate of 7.2169c would permit 9½% return, after allowing for operating costs, taxes, etc. If the Utilities Board saw fit to allow a return of less than 9½%, Mr. Morrison calculated that the pipeline rate could be as follows: rate of return 6½%—pipeline transportation charge 6.7536c.; 7% return—6.8305c.; 7½% return—6.9080c.; 8% return—6.9852c.; 8½% return—7.0625c.; and 9% return—7.1397c pipeline charge.

* * *

U. S. to Boost Oil Price

Marking an important forward step in the long efforts of the United States petroleum industry to obtain higher prices for its product, the U. S. House of Representatives last week passed the "Disney Bill" by a standing vote of 171 to 92. The Bill now goes to the Senate. Some delays may be expected there.

The Bill, as passed by the House, directs OPA to fix U. S. crude prices not lower than 80% of "parity" with the index of all commodities published by the bureau of labor statistics, the new prices to be not in excess of 100% of "parity." Current U. S. oil prices (national average about $1.18 per bbl.) are said to be about 60% of "parity" oil prices not having been permitted to keep pace with rising values of other commodities.

If approved and placed in effect, the Disney Bill would boost U. S. oil prices by a minimum of 35c. per bbl. and might raise prices as much as 74c. The original bill had provided that control of oil prices be taken from the OPA and handed to Harold L. Ickes, Petroleum Co-ordinator for War, who, unlike the OPA, has long favored an oil price boost as a means of stimulating oilfield development. In a last minute move by the backers, this clause was dropped from the Bill.

The progress of the Disney Bill will be of great interest to the Canadian oil industry which, like its U. S. counterpart, has long urged higher prices as a stimulus to development.

* * *

New Lloydminster Test

Drilling permit has been issued for Sparky No. 2 well at Lloydminster. The well, in the southwest 10 acres of L.S.D. 5 33-49-1w4, offsets the Sparky 1 producer to the east. The latter well, completed a few months ago, topped an oil-saturated Lower Cretaceous sand at 1,974 ft., but drilled beyond the sand to 1,989 ft. and brought in underlying water. The water intrusion blasted hopes of fairly substantial oil production, but the well is pumping a net 10 to 11 bbl. of oil daily. Backers of the new venture hope to avoid the mistakes made at No. 1.

* * *

Location has also been announced for Royalite No. 75, to be drilled in the centre of L.S.D. 6 2-20-3w5, quarter of a mile north of the Royalite 67 producer on the northerly part of the Turner Valley central west flank. Preliminary work is now under way at the site. The site is a logical follow-up of the important strike made this summer at Royalite 67 in this relatively undeveloped part of the field. No. 67 produced 7,380 bbl. in October, its third month on production.

* * *

Deepen Foothills Test

Foothills No. 13, key deep test on the Turner Valley "east side lime," is going to be carried to the lower porous limestone. The well halted drilling Dec. 7 at 10,155 ft., 107 ft. in the Madison, and about 40 ft. in the first porous. Since then zone was treated with 500 gallons of acid, and the well placed on production test. The well flowed about three bbl. hourly under its own power after this light shot, the yield being around 70% oil and 30% water. It has not yet been definitely established whether the water is formation water or drill-fluid and spent acid. The well's performance, however, was apparently sufficiently encouraging to warrant continuation of drilling.

McCuaig Red Lake Names New Board

At a meeting early this week directors of McCuaig Red Lake Gold Mines resigned and a new board was elected as follows:

WILLIAM COCHENOUR, president.
STANLEY LANGLEY, vice-president.
GEORGE SCOTT, secretary.
WM. J. O'CONNOR, J. C. FELTON, directors.

The new board intends to proceed with active development of the McCuaig Red Lake property which adjoins McKenzie Red Lake Gold Mines and Cochenour-Willans, it is stated.

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Mining

Selling Metals After the War

Metal markets after the war form a subject in which Canada has a vital vested interest through this country's large output of copper, nickel, lead, zinc, etc. It is still too early to determine what the character of postwar metal markets will be like but an address of J. D. Wolff, chairman of the London Metal Exchange, provides some interesting material on what is being considered for postwar metal marketing in London which normally handles a larger proportion of the world's metal marketing than any other centre.

Mr. Wolff reveals that there are three schools of thought on the marketing of metals after the war. First of all, he notes a group which is anxious permanently to dispense with the open market for metals after the war and which wants to substitute a system of fixed prices with supplies guaranteed by the government.

Secondly, Mr. Wolff sees a possibility of cartelization of output and thirdly, a free market for metals similar to that which existed for most items prior to the war.

* * *

Fixed Prices Questioned

The feasibility of fixed metal prices and guaranteed supplies is very much open to question, Mr. Wolff thinks. "No single government could guarantee supplies at a fixed price for an indefinite period," he declares. Moreover, he points out that fixed buying prices are of little use to the manufacturer without a guaranteed market in the outside world at fixed selling prices.

No matter how reasonable prices determined by a cartel might be, Mr. Wolff feels that such prices determined in a monopolistic atmosphere would be less likely to inspire confidence than prices determined by an open market. In any case, objections of an even more fundamental character are seen to the placing of determination of prices and the mechanism of distribution wholly in the hands of a producers' monopoly.

Mr. Wolff, as chairman of the London Metal Exchange, naturally favors a free and competitive market for metals. But aside from any bias he may hold as an official of the London Metal Exchange, his arguments in favor of a free metal market after the war have much in their favor. He points out that a free market is necessary to implement point four of the Atlantic Charter, with its promise to all nations of "access on equal terms to the raw materials of the world." He asks for as rapid a return to unrestricted marketing of metals after the war as may be found compatible with new world conditions.

* * *

Quebec Gold Output

Quebec gold production for 1943 will probably be considerably below the corresponding figure for 1942. October output was 69,349 oz. against 90,660 oz. for Oct., 1942, bringing output for the first 10 months of the year to 788,376 against 925,826 oz. for 1942.

While gold production has been declining, silver production has shown a substantial gain. In Oct., 1943, 183,675 oz. of silver were recovered in Quebec against 127,121 for October, 1942. Total output for the first 10 months in 1943 was 1,796,190 oz. against 1,360,198 for the first 10 months of 1942.

Silver output for the first ten months of 1943 represented a new all-time high.

Production of lime also showed an increase for the first 10 months of 1943 but the value of clay products and of cement turned out showed decreases.

* * *

Sees News Expansion Possible

The Northern Miner, in its annual mining number of Dec. 16, discusses how Canada can realize new expansion for its mining industry to offset losses caused by the war.

As a stimulus to the imagination, a colored geographical map is inserted, disclosing favorable areas in the vast Canadian pre-Cambrian shield, extending from Labrador to the Arctic Ocean in a widely sweeping arc. Many of these areas are already productive and it is striking even to the layman how rich mineral deposits have followed the pattern laid down. Many other areas have not been developed, some of them not even prospected.

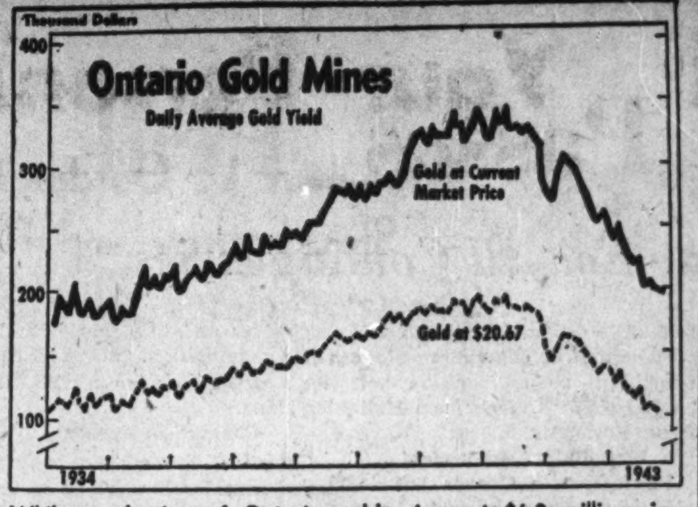
New Broulan Zone Is Rich

Indications that the northeast claim of Broulan Porcupine Mines contains an important ore zone have been secured from sampling the ore encountered in the crosscut driven from the shaft some 3,500 ft. away.

Gold values have been found for a width of 59 ft. in the crosscut with the average of chip samples for the last 20 ft. being $13.60 per ton, after cutting high erratics to half an ounce. The first 39 ft. in the crosscut showed an average assay from chip samples of $4.40 per ton. The vein was liberally impregnated with visible gold for several rounds.

Slashing of the zone is now under way preparatory to starting drifting on the ore. It is planned to drift in the higher grade section and put out diamond drill holes at 25-ft. intervals to investigate other sections of the zone.

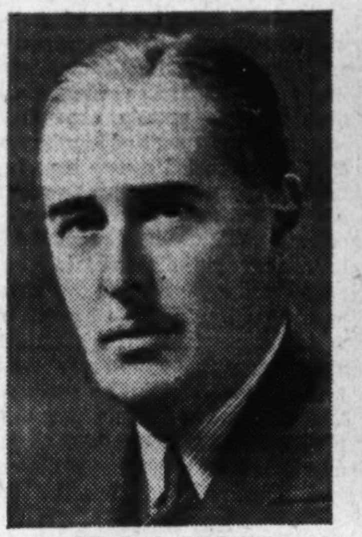
Steep Rock Iron Mines has granted options to employees as follows: C. J. Fitzgerald, 3,000 shares at $1 a share; S. Hancock, 3,000 shares at $1 a share and E. Brown, 3,000 shares at $1 a share. Options are good to March, 1, 1945.



While production of Ontario gold mines at $6.2 millions in October was more than $150,000 greater than output for the preceding month, daily average gold output continued its downward course, due to a shorter month. Value of gold produced is now approaching the level of a decade ago when the Ontario Department of Mines first started tabulating monthly figures. On the basis of ounces of gold produced, production by Ontario gold mines is actually down to level of 10 years ago.

BANK OF TORONTO

NEW APPOINTMENTS



MR. L. G. GILLETT

Mr. L. G. Gillett, whose appointment as an Assistant General Manager, is announced by The Bank of Toronto. He has been manager of the main branch in Montreal since 1938, and will leave that city shortly to assume his new duties at the Head Office in Toronto.

Mr. Gillett entered the service of the bank in Montreal in 1909, and has occupied important positions in the service both in Eastern and Western Canada.

MR. J. A. WOODS

Mr. J. A. Woods, who has been appointed an Assistant General Manager of The Bank of Toronto, resident in Winnipeg. He has been Western Superintendent of the bank for a number of years, and has had wide experience in the West.

Mr. Woods entered the service of the bank in 1900 and first came to Winnipeg in 1907, where he has resided ever since with the exception of three years spent at the Head Office.

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Financial Statistics

CITY OF HALIFAX

NOVA SCOTIA

Year Ended Apr. 30	Gross Debt	Sinking Funds	Revenue Producing Debt	Less Approximate Sinking Fund on Revenue Producing Debt	Net Debt	Value of City's Assets	Total Assessments (including exemptions)	Value of Exempt Properties	Tax Rate
1939	$15,968,302.63	$5,874,426.01	$2,208,076.84	$528,116.57	$8,413,916.35	$13,800,000.00	$100,349,540.00	$40,782,140.00	3.71
1940	16,169,360.16	6,245,618.46	2,230,274.47	570,000.00	8,263,467.23	14,100,000.00	101,015,936.00	40,629,226.00	3.72
1941	15,431,687.30	5,382,679.28	2,056,569.27	412,576.80	8,387,015.55	13,000,000.00	102,078,176.00	40,770,526.00	3.74
1942	15,481,733.90	5,774,457.36	2,051,591.94	447,637.11	8,103,321.71	13,300,000.00	103,724,196.00	41,532,726.00	3.74
1943	16,134,659.07	6,148,084.00	2,046,553.23	485,024.51	8,425,046.35	13,500,000.00	109,311,586.00	45,370,076.00	3.78

Year Ended April	Current Levy	Current Taxes Collected	Arrears Taxes Collected	Total Taxes Collected	% of Current Levy	Taxes Outstanding		Reserve for Uncollected Taxes
						Current	Arrears	
1939	$2,312,670.81	$1,774,495.38	$513,310.38	$2,287,805.76	$ 98.92	$538,175.43	$942,312.47	$632,787.01
1940	2,348,950.34	1,832,242.15	516,738.37	2,348,980.52	100.00	516,708.17	963,749.53	640,983.40
1941	2,422,257.55	1,974,347.94	597,886.95	2,572,234.89	106.19	447,909.61	882,570.75	657,136.68
1942	2,428,673.77	2,049,093.03	511,279.44	2,560,372.47	105.42	379,580.74	819,200.92	661,856.83
1943	2,667,352.65	2,321,448.06	484,155.29	2,805,603.35	105.18	345,905.59	714,625.37	597,506.43

CONSOLIDATED BALANCE SHEET (Condensed) for Fiscal Year Ended April 30, 1943

CAPITAL ASSETS

Streets, Sidewalks, etc.		$ 3,386,531.39
Sewers		2,429,380.86
Water System		2,125,669.08
Public Schools		2,934,651.18
Other Expenditures		2,656,646.64
		13,532,879.15
Less Accounts Receivable in Suspense		958.84
		13,531,920.31
Refunded Taxes and Assessments		1,986,375.82
Unexpended Balances		616,362.94
		$16,134,659.07

CURRENT ASSETS

Uncollected Taxes	$1,068,508.42	
Uncollected Water Rates	213,232.89	
Uncollected Water Extensions	11,277.52	
	1,293,018.83	
Funds on Deposit	635,525.88	
Water Emergency Fund	24,948.92	
Properties & Mortgages in Liquidation	23,937.08	
Other Assets	537,400.00	
		2,514,831.32

TRUST FUND ASSETS

Cash, Investments, and Other Active and Non-Active Assets	1,059,991.75

SINKING FUND ASSETS

Cash, Investments and Other Liquid Assets	6,148,084.00
	$25,857,566.14

NOTE: The Balance Sheet of the City of Halifax for the civic year ended April 30, 1943, is subject to audit by Messrs. H. R. Doane and Company, Chartered Accountants, Auditors for the City.

CAPITAL LIABILITIES

Funded Debt	
Consolidated Fund 1880	$ 1,494,100.00
Consolidated Fund 1905	14,188,966.00
Short Term Debentures	244,520.00
	15,927,586.00
Unfunded Debt	207,073.07
	$16,134,659.07

CURRENT LIABILITIES

Reserves for Tax, Water and General Purposes	$1,334,911.45	
Bank Loans	139,553.41	
Water Emergency Account	24,948.92	
Other Liabilities	977,347.13	
Surplus Unexpended Balances 1942-43	38,070.41	
		2,514,831.32

TRUST ACCOUNTS

Local Improvements, Superannuation Accounts, City and Non-City Trusts	1,059,991.75

SINKING FUND ACCOUNTS

Cumulative Capital and Income Accounts	6,148,084.00
	$25,857,566.14

I have prepared the above Consolidated Balance Sheet (in condensed form) of the City of Halifax, for the civic year ended April 30, 1943. In my opinion the said Balance Sheet is correctly drawn up, so as to exhibit a true and correct view of the state of the financial affairs of the City as at April 30, 1943, according to the Books of Account and financial records of the City.

N. L. SHERMAN, C.A.,
Commissioner of Finance.

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Your Personal Income Tax

Molyneux L. Gordon Discusses the Tax Problems of Stockbrokers and Financial Agents; Points Out Some Actions to Avoid and Some to Adopt

By MOLYNEUX L. GORDON

Article No. 3—Stockbrokers and Financial Agents

A stockbroker is taxed on his profits and entitled to deduct expenses just the same as anyone else. In addition to income tax he is also subject to Excess Profits Tax and does not come within the exemption usually granted to other professional men because this exemption does not apply to persons who make contracts on behalf of others.[1]

If a stockbroker charges for financial advice or values securities for succession duty purposes the amounts received must be included in his earnings, just the same as anything else. If a stockbroker sells his seat on the Exchange at a profit this profit is not taxable, because his business does not include buying and selling seats, but if he buys an extra seat because it is cheap or has bought and sold on several occasions he would probably be liable.

A stockbroker is entitled to invest his money just the same as anyone else, and if he makes a profit on an investment such profit is not liable to tax. But if he speculates in securities which he is accustomed to buy and sell for others, particularly if he only holds the securities for a short time, he will find it very hard to convince the Income Tax Department that he intended to make an investment and would probably be taxed on any profit which he is lucky enough to make. A case on this point was decided in Canada where a member[2] of the Winnipeg Grain Exchange, who completed 260 transactions in one year, was held liable for tax.

Deduct Losses From Profits

If you make a loss in one year you may deduct the same from the profits of the next year.[3]

It is quite possible, although there is no authority on the subject, that a stockbroker is not obliged to credit any profits until the customer's account has been closed out. But this would not apply if you had charged the account with your commissions and withdrawn the money. This is due to the fact that although you may credit yourself with a commission when the securities were purchased, yet if the securities are bought on margin and you have to borrow the money to carry them it is quite possible that if the market falls your client may not be able to make up the loss and you will not get paid. On the other hand, if you have been accustomed to credit your commissions as they are earned you cannot change your method of doing business in order to reduce tax.

Taxpayers find it very hard to understand that income tax is a yearly tax and in order to compute that tax you can only take into consideration things that happened during the tax year. If at the end of the year a number of clients owe you money you are entitled to say "It is probable that some of these clients may fail to pay and therefore I must set up a reserve," but you are not entitled to say that "Depressions occur at regular intervals and if I go on trading long enough I am bound to make losses so I will set up a reserve now to cover losses I may make in the future." You are only entitled to set up a reserve to cover bad debts which are actually on your books at the time you make your return.

Bad Debts Collected

If you collect a bad debt incurred prior to 1917 you need not include the same as part of your profits. But if you collect a bad debt which was incurred and written off after 1917 the department will require you to credit it in the year in which it was received. As the rate of tax has steadily increased this may mean that you will have to pay considerably more than if the debt had been paid in time.

The Privy Council has determined[4] that, if a debt which has been written off as bad is subsequently collected, that it is not a taxable profit of the year in which it was received, notwithstanding any practice of Inland Revenue to the contrary. It is probable that under section 55 the Minister has the right to reopen the assessment of the year in which the debt was written off and say that as the debt had been collected it should be added back as part of the profits of that year. But it is difficult to see by what authority the debt is added to the profits of the year in which it is collected if the rate of tax at that time is greater than it was at the time the debt was incurred.

In cases where securities are bought on margin the broker usually borrows the money from the bank. If the client does not pay he sells the securities and if the amount received is not sufficient to pay the amount he has borrowed he must pocket the loss. The Income Tax Department allows you a reserve of 2% on the total amount of the outstanding loss. This rough and ready rule is probably more liberal in most cases, but a taxpayer is entitled[5] to analyze every debt which is on his books and claim a specific reserve to cover each account which is likely to go bad.

An allowance of 2% on the total amount outstanding may be ample for a bondbroker who specializes in selling Government securities to financial institutions, but it might not be sufficient for someone else who sells speculative securities to anyone who is willing to pay. If you fall into the latter class you have a good ground for asking for a larger allowance if the facts justify your claim.

Stock as Remuneration

Financial agents who reorganize companies and sell new securities to the public frequently receive a block of stock as part of their remuneration. If this is done, be very careful about valuations. There is a strong tendency to value such securities at par[6] or, if quoted on a recognized exchange, then at the market price. But it frequently happens that the stock is not worth par and in some cases where the same is listed on an exchange that it would be impossible to dispose of your holdings without breaking the market.

This situation was recognized in a case in South Africa where a company sold certain mining claims for £150,000 and accepted 600,000 shares of the par value of 5s. each in payment of the purchase price. The shares were quoted on the Johannesburg Stock Exchange at 8s. 6d. In that case the chairman of the Stock Exchange and other brokers testified that it would be absolutely impossible to sell this block of stock without breaking the market, and the court fixed the value of the shares at 5s., which was probably a great deal more than the brokers got for them. In all such cases it would be better to obtain a fixed fee from your clients and use the money in purchasing securities.

If you are engaged in reorganizing companies it would be wise, as soon as the Excess Profits Tax Act has been repealed, to incorporate a company to take over this business. You may make a lot of money out of one flotation and lose a substantial sum in another. If you carry on business as an individual and make a loss you have to put up the money out of your own pocket, and if you took on another flotation and made a profit you would have to pay a tax on the profit and could not set up the previous loss unless it occurred in the previous year. Whereas if the business is done by the company the income taxes are less than those of an individual and you could use the surplus profits, less tax, of one transaction to recoup the losses made on another.

[1] Excess Profits Tax Act, Section 7, subsection (b); [2] Morrison v. Minister of National Revenue (1928) Ex. Cr. 75; [3] Income War Tax Act Section 5 (p); [4] Gleaner & Co. Ltd. v. Assessment Committee (1922) 2 A.C. 169; [5] In Re A.B. (1918) 14 Tas. L.P. 63; [6] Income Tax Case No. 32, 2 S.A.T.C. 58.

U.S. Gold Mines Held Unlikely Resume Soon

Prior Needs of Coal Industry for Men and Equipment Barrier

By LAWRENCE SULLIVAN

WASHINGTON. — Despite insistent pressure for a limited resumption of gold mining in the U. S., officials at the War Production Board profess to see little prospect for such action during the first quarter of 1944.

There is no official confirmation here for reports that gold mines would be allowed to resume soon, perhaps at a 40% rate.

A recent report from the War Manpower Commission shows that the coal industry alone needs 50,000 additional men during the first half of the year to maintain production allocations and build up next winter's 60-day stockpile. Another 80,000 men are required at once in the forests and paper mills to maintain paper supply. In all industries, including military withdrawals, some 3 million men and women must be added to the U. S. labor force during 1944, says Manpower Commissioner Paul V. McNutt.

Need Equipment

Hardly a mine in the country could resume production without some new machinery or equipment. Yet the current military demand for such equipment in the expanding Pacific war theatre is beyond present production capacity. In addition there is still a heavy unfilled backlog of coal mining machinery orders on hand from Great Britain.

Considerable gold and silver are being produced in by-products from essential copper mines.

The whole manpower situation is tightest in the far West, precisely where the major gold mining areas are located. In those states manpower is needed sorely for the two ranking items of military production—planes and ships.

Mining Options

Aunite Mining Corp.—By agreement of Nov. 15, Abraham Greenbaum purchased 20,000 shares at 5c. a share and was granted options on 980,000 shares: 180,000 at 5c. a share and blocks of 200,000 shares each at 7½, 10, 15 and 20c. a share, payable 30,000 shares by Feb. 1, 1944, with a minimum of 50,000 shares a month thereafter. Authorized capital is 3 million shares with 1,035,657 shares issued.

• • •

Barrett Mining Corp. — On Nov. 1, a million shares optioned to M. H. Porter in blocks of 200,000 shares each at 5, 7½, 10, 12½ and 15c. a share to be taken down at a rate sufficient to provide the company with $1,000 per month for 12 months and $5,000 per month for the following 12 months with $10,000 monthly thereafter. Authorized capital is 3 million shares with 1,000,005 shares issued.

• • •

Beaudega Mines—On Nov. 23, Bertram E. Parker purchased 100,000 shares for $5,000 payable within a month and received an option on 900,000 shares in blocks of 300,000 shares each at 5, 7½ and 10c. a share, all payable within nine months. Authorized capital is 3 million shares, 800,003 shares issued.

Mining Concentrates

Colin Lake Gold Mines has received payment for an additional 50,000 shares under its agreement with Haras Corp. Balance of agreement comprises option on 250,000 shares with the next installment exercisable by Feb. 28. Issued capital is 2,648,235 shares.

• • •

Dempsey-Cadillac Gold Mines is asking shareholders Dec. 28 to approve a change in the company's name to Dominion Malartic Gold Mines. The company has two properties—one in Cadillac twp. and the other in Malartic twp. Most previous work was concentrated on the Cadillac ground, but further work is now planned on the Malartic group where diamond drilling is claimed to have given encouragement. Shareholders are being asked to approve an increase in authorized capital by a million shares.

• • •

O'Brien Gold Mines No. 4 shaft had reached a depth of 283 ft. below the 2,500-ft. level on Dec. 15 and the objective of 3,000 ft. is expected to be reached by the end of January. No mine development is being carried on during the shaft-sinking program and milling rate is now down about 15%.

• • •

Tantalum of which there have been indications in Manitoba and the Northwest Territories is one of 10 materials still on the strict censorship list in the United States and even rates a higher priority than high octane gasoline. Rarer than gold, tantalum is, however, relatively much cheaper at $65 a pound. Tantalum is a blue-white metal, stronger than steel, as non-corrosive as glass and with a melting point so high that no crucible exists in which it can be smelted. The metal is being used as a catalyst making butadiene for synthetic rubber and is being set into the shattered skulls of wounded soldiers in delicate trepanning operations.

New Chromium Plants Operate

Two Are Now Working at 50% of Capacity, President Reveals

While delay in expanding facilities caused Chromium Mining & Smelting Corp. results in 1943 to fall below what was anticipated, the major part of the expansion program is now nearly completed and greater attention can thus be paid to foreign fields, President Leo H. Timmins informed shareholders at the annual meeting.

Tuning-up of the low carbon "Chrom-X" plant is nearly finished and commercial production is expected to get under way by beginning of the new year. Quality of the new product is up to expectations and a ready market for total production of this unit is looked for.

The concentrator erected to reduce cost of high carbon "Chrom-X," was turned over to the operating crew last month. Both the new low carbon "Chrom-X" plant and the concentrator at Sault Ste. Marie are at present operating at about 50% of capacity.

Cost Exceeds Estimates

Due to war conditions cost of the expansion program exceeded all estimates. Demands of war production were found to be more of a drawback than an impetus, but Mr. Timmins expects the ferro-alloy industry to be one of the first to benefit from a return to peacetime operations. Delay in completing the expansion program held up planning for foreign fields but the company now plans to proceed rapidly along this line.

Might Refinance

Questioned regarding repayment of the company's bank loan of $1.6 million, Mr. Timmins said that if profits were insufficient to retire these obligations, it will have to be done by refinancing, probably through a proposed U. S. subsidiary. He said the ore position was much freer at present but that its cost had not decreased. Ample ore is available from the U. S. and from deposits in Quebec while re-opening of the Mediterranean has made shipping of Turkish ore possible again.

Stockholders approved a by-law changing the end of the fiscal year from Dec. 31 to April 30. Directors were re-elected.

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In Your Opinion

Uniform Education Standards Needed?

THE QUESTION: Should provincial educational standards applying to various professions, such as legal, medical, teaching, pharmacy, be made uniform and acceptable for employment in all provinces?

Dr. Harvey Agnew

Secretary, Canadian Medical Association, Toronto.

Although the licensing of doctors is a provincial matter, practically all doctors now take the Dominion examination, which is valid in all provinces. Certification of specialists is now being done nationally by Royal College of Physicians and Surgeons of Canada. All Canadian medical schools are Grade A. Nurses are examined and registered on a provincial basis.

As for hospital pathological and radiological technicians and dietitians, the similarity of their work across Canada and the desirability of permitting free exchange of highly skilled workers means any standards set should be national and is now being effected in part by membership requirements of respective associations. BNA Act implications can be circumvented.

• • •

F. Butterfield

Secretary Corps of Land Surveyors of the Province of B.C., Victoria.

Only basic education might be standardized, and for the following reasons:

Provincial laws differ so widely that specialized training is essentially in the public interest—e.g. British Columbia vs. Quebec. Any Dominion standard designed to cover all provincial statutes to ensure high qualification in land surveying, for instance, would fail through complexity or result in a lower standard of specification. Probably there exist some professions to which the foregoing would not apply, but, on the other hand, there are several whose standards would inevitably be lowered. However, the question is in general terms, so my opinion is negative.

• • •

E. N. Davis

Editor, Herald, Prince Albert, Sask.

The fact that 76 years after Canada became a nation, unification of provincial educational standards applying to various professions such as legal, medical, teaching and pharmacy presents obstacles which many may say are insurmountable, is the strongest of arguments supporting such unifications at the earliest possible date. Because of the unifying force it would exert, Canada's goal should be such uniform educational standards in all professions to permit Canadians who had complied with these standards to practice their professions or obtain employment in their professions anywhere in Canada.

• • •

Kenneth Drury

Editor, Daily Times, Victoria.

Uniform educational standards across Canada for professions would be in the public interest. Nation-wide control would result in low standard areas being brought up to the higher standards of the majority. It would be of advantage to professions widening the field for individuals, giving them greater freedom to go where there is greater demand for their services.

Professional groups are now organized in national associations with members recognized irrespective of provincial boundaries and standards. Logical would be the step to make state recognition of professional standing similarly Canada-wide. In the services, under war conditions, skills of professional men enlisted for special duties are relied on irrespective of where these men gained their professional standing. Why should their qualifications not be similarly on a nation-wide acceptance basis for civilian service?

• • •

C. F. Fraser

Editor, Chronicle, Halifax.

Pan-American standards qualifying professional men to practice anywhere in the Dominion except where a different legal system actually prevails, would seem to be an essential step if the professions are to be placed on sound economic footing in this country.

• • •

P. G. Hodges, K.C.

President, Law Society of Canada, Regina.

In my opinion it is highly desirable that the educational standards applying to all professions should be uniform throughout the provinces and that a person qualified in one province should have the right to practice anywhere in the Dominion. This could be done by establishing a Dominion-wide body composed of members from each of the provinces. The result would be the elimination of sectional jealousies and narrow parochialism which has long been an irritating element in Canadian life. So far as the legal profession is concerned it could only embrace the common law provinces and not Quebec.

• • •

G. A. Hunter

Editor, Daily News, Prince Rupert, B.C.

There appears to be no good reason why provincial educational standards, applying to various professions such as legal, medical, teaching and pharmacy, should not be made interprovincially uniform and acceptable for employment in all provinces.

For that matter, the standards of elementary education are now virtually uniform, the matriculation certification qualifications being practically standardized and to a large extent interprovincially acceptable.

Each province, however, requires final qualification examinations for provincial certification in the professions mentioned. Why there should not be general Dominion certificates is one of the existing educational anomalies for which there appears to be no real justification.

• • •

J. P. Hynes

Secretary, Ontario Association of Architects, Toronto.

In life it is the individual culture of persons as distinguished from their fellows that makes them interesting and distinctive and thus valuable to the community in keeping it from developing a herd mentality which our stereotyped education tends to promote. Therefore, I believe that each province should develop its own standards in the education of the professions from its indigenous culture. If they develop to a sufficiently high standard, the sister provinces should recognize them as their own. The indigenous culture of each province should be promoted rather than machine standardization over the Dominion.

• • •

Dr. H. D. Johnson

President, Medical Council of Canada, Charlottetown, P.E.I.

As far as medicine is concerned the province of Prince Edward Island is in accord with all provinces of Canada who accept for medical registration the examination and diploma of the medical council of Canada. We feel that qualification is one of high standing. An equally high standard might be a good thing for other professions, but they should speak for themselves.

One standard for all in provincial preliminary education should be most desirable.

• • •

M. Lindeburgh

President, Canadian Nurses' Association, Montreal.

I cannot make a definite statement regarding uniform standards because of many implications in evolutionary growth in various fields of professional education. As educational matters are under the control of the provincial government, standards have developed to meet provincial needs and are therefore not identical. Unification has educational advantages but it must not interfere with improvement of the standard in any province.

T. D. LeMay

Chairman of Council, Association of Ontario Land Surveyors, Toronto

In principle standardization of provincial qualifications to give Dominion-wide elegibility to practice seems reasonable for professions not based on an intimate knowledge of local provincial statutes. But there must also be, for obvious reasons, a uniform appraisal of the statutory provincial standards by educational and other authorities entrusted with the preparation and examination of candidates for admission to practice. In other professions, such as law, requiring a specialized knowledge of local statutes and conditions, standardization would appear to be impracticable.

• • •

A. R. Lord

Principal, Provincial Normal School, Vancouver.

When standards for admission to a profession vary materially among Canadian provinces, it is usually in an attempt to regulate supply and demand by preventing interprovincial movement. This is not helpful in advancing Canadian unity. Identical standards are not necessary, but when any profession has set up a Dominion-wide council and when that council has established minimum admission standards, any entrant should be free to practice anywhere in Canada. Similarly, the possession of a high school graduation diploma issued by any province should automatically admit the holder to any Canadian college or university.

• • •

W. B. Moore

President, Canadian Pharmaceutical Association, Melville, Sask.

The greatest step toward the betterment of pharmacy in a Dominion sense would be such uniformity in educational and college curricula as to enable an exchange, where desired, from province to province without the barriers that exist today. Any step toward this end will fit very well into any postwar plan.

• • •

G. Fred McNally

Deputy minister of Education, Edmonton.

It is difficult to give a specific answer to the question.

In law, medicine and pharmacy the appropriate professional body has much greater power in determining admission standards than in education. I know of no effort to set up a national program of teacher education either on a normal school or faculty of education level. There has existed for many years reciprocity in the recognition of teaching certificates as between provinces on the appropriate levels. We believe informal arrangements of the latter sort preferable to such uniform tests as, say, that provided by the Dominion Medical Council. The Canada and Newfoundland Education Association provides a satisfactory clearing house.

Dr. K. P. R. Neville

Registrar, University of Western Ontario, London, Ont.

The mechanics of education would be simplified no end by the adoption of uniform standards of admission to comparable faculties in our universities and other training organizations. The colleges of physicians and surgeons of the several provinces, have already shown the way by agreeing to accept, for license to practice medicine in any province, the results of the examinations set and administered by the Medical Council of Canada in cooperation with the medical schools, even though no two of these medical schools have the same admission requirements or the same curricula. Less internal adjustment would be necessary if they reached the common goal from the same initial demands.

• • •

Dr. Charles E. Phillips

Editor, The School, Toronto.

Uniform educational standards for the whole of Canada and professional qualifications valid in all provinces would strengthen national unity, generally raise professional standards and open up opportunities for advancement through merit.

But provincial autonomy in education is a jealously guarded right. An attempt of the Federal Government to institute such standards without provincial agreement might disrupt the country. There is also something to be said for variety, since some variations stimulate improvement. My answer is yes, if national standards are stated as a minimum, and established by consent of the provinces.

• • •

A. G. Penny

Editor, Chronicle-Telegraph, Quebec City.

In principle it is obviously desirable and advantageous that provincial educational standards applying to the specified professions should be made uniform and acceptable for employment in all provinces. In practice it would be difficult if not impossible to bring this about with the consent of at least one of the provinces—Quebec—and jurisdiction over education is, of course, given to each of them by the constitution.

Apart from any other considerations, the legal, medical and teaching systems in Quebec differ materially from those in the English provinces, but it might well be possible and, if so, should be done by all means, to bring about uniform standards in the latter—plus English-speaking Quebec

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Gordon M. Pitts

President, Royal Architectural Institute of Canada, Montreal.

Educational requirements for admission to the provincial associations of all professions should be of a uniform and high standard in the public interest.

At present the curriculum in some schools does not provide opportunities for students to attain the theoretical and practical training available in others, and this may necessitate a lowering of the standard of requirement in that province. Consequently, when these students seek a license to practice in another province, they may experience considerable difficulty and be required to undergo the qualifying examinations of the professional association of that province, a trying experience at any time, but particularly for older men long since out of school or college. High educational requirements in the professional sphere is definitely a postwar must.

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Fletcher Peacock

Director of Education for New Brunswick, Fredericton, N.B.

Professional standards should be the same throughout the nation in the interest of democracy, unity and a desirable interflow of leadership among the nine provinces in the fields of higher technical, scientific and professional education.

The approach is objective, experimental and uninfluenced by subjective opinion on this level. Therefore it should be possible to establish the highest standards as the common national pattern through a wise application of private, provincial and federal funds. By such a plan, professional services would be improved, the solidarity and progress of the nation advanced and the highest interests of all the people served.

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Dr. Fred W. Routley

National Commissioner, Canadian Red Cross, and general secretary, Canadian Medical Association, Toronto.

For many years I have been strongly of the opinion that uniform educational standards should prevail in all professions throughout Canada. This uniformity would enable young professional people to move readily from province to province, thus providing opportunity for better knowledge of our country to groups who are most likely to disseminate it. Also such uniformity would have a constant tendency to improve educational standards throughout the whole country and would be a long step toward the accomplishment of real national unity in Canada.

R. E. Shaul

Past president, Canadian Teachers' Federation, Edmonton.

The establishment of uniformity of the professional standard throughout Canada would promote Canadian unity and is therefore highly desirable. However, the uniformity must not consist of mere meddling. The plan would have to be based upon a generous system of federal aid, enabling the poorest province to finance an educational program acceptable in all provinces.

The stagnation often resulting from widespread uniformity can be avoided by permitting within the provinces the flexibility necessary for educational research and advancement while insisting upon uniformity in the number of years required to obtain recognized professional credit.

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Dr. Sidney Smith

President, University of Manitoba.

Much has been accomplished already in establishing Dominion-wide educational standards in the various professions. The Dominion Medical Council, the Dominion Dental Council and the Dominion Association of Chartered Accountants conduct examinations which are acceptable to provincial licensing bodies. In the legal field there are eight common law provinces while Quebec has the civil law.

Subject to special circumstances such as in the training of lawyers, it is desirable to have uniform educational standards and common examining bodies in the professional fields of Canada. There is an increasing mobility of professional men and women. That mobility promotes Canadian unity.

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E. H. Waldruff

President, L. K. Liggett & Co., drug chain, Toronto.

Years ago provincial standards in pharmacy varied considerably, but such is not the case today. I suggest that pharmacists in all provinces are quite qualified to practice pharmacy in any province if they were only priviledged to do so. To create real unity and better understanding throughout the Dominion, standards of education must be recognized or specific standards should be set by Federal Government.

It is almost impossible to believe that a Saskatchewan pharmacist in the town of Lloydminster cannot practice his profession on the other side of the street because that side belongs to Alberta. Immigrants can earn their living where they like but professional people must practice within provincial limits.

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Prof. John Willis

Acting dean, Faculty of Law, Dalhousie University, Halifax.

Of course educational standards applying to various professions should be made uniform and acceptable for employment in all provinces. A Canadian professional man should be free to practice his profession anywhere in Canada and no Canadian professional man who falls short of a Canadian standard should be allowed to run wild in any province.

Provincial tariff barriers against professional men which masquerade as educational requirements are unpardonable in a country where good businessmen, artisans and laborers move freely from province to province. The doctors as usual have done something to remove them. The lawyers as usual have done everything to reinforce them.

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L. Austin Wright

General Secretary, Engineerin Institute of Canada, Montreal.

Uniformity of standards and cu ricula is particularly desirable fo the profession of engineering. Ofte a project runs over more than on province and many employers hav interests in several provinces. Th most important factor is that the d mands for engineering services fr quently surge from province province and the engineers have follow them if the work is to b done quickly. Fortunately for Can ada, the movement of engineers not restricted by provincial regula tions and yet the standards of qual ification are well maintained by ex cellent educational institutions and provincial licensing bodies. Surely uniformity for every profession i desirable.

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